Employee Training Methods for Developing Economy

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... "The next society will be a knowledge society. Knowledge will be its key resource, and knowledge workers will be the dominant group in its workforce." – Peter F. Drucker

Some scientists have speculated that the next society will be a robot society based on high technology, that high technology can fully replace human beings and workers. However, this is not true. Even if we have high and new technology; we need to have a human being/worker, who manages productively the technology to the organization. All artifacts, discovery as well as new technology are created by human intellection. We will achieve outstanding results higher than we expected, if we lead and manage correctly our intellection. No one doubts knowledge can manage everything. Knowledge is a competitive advantage at any level: individual, organizational, and country. In today's more competitive society, employees should learn for better knowledge, skills, and better performance.

The goal of this paper is to present a framework of employee training and significance and its impaction to the business outcome, a training model of formal¹ and informal training², as well as employee training and productivity growth. What exactly type of training is the best fit to your organization? There is not one best prescription for any organization. However, we suggest some useful training methods for managers who manage subordinates at any level in developing economies.

¹ Formal Learning involves a structured event supported by an instructor/facilitator or self-paced through instructional materials (Betty Collis, Nov, 2005).

² Informal Learning includes self-directed learning, networking, coaching, mentoring, performance planning, and trial-and-error (Marsick, 2001).

This paper is dedicated to practitioners and new young managers, who want to realize organizational communication, especially to understand how to train and organize the training for adults³ and learn the best practices from Costco Wholesale Corporation, the IKEA and so forth.

Keywords: Employee training, Every-morning Training, Learning organization, Periodic Training, Apprenticeship Training, Knowledge Sharing, Developing economy, Mongolia.

From manual worker into knowledge worker

Top management will say that knowledge is a sustainable competitive advantage in today's competitive business era. We have been talking about the knowledge, knowledge person/worker, knowledge-based organization, knowledge-based economy, knowledge-centered organization, knowledge-based country and so forth. How can we become a knowledgeable person or knowledge worker?

Employee training is one of the best ways to accumulate knowledge, use knowledge, update knowledge, as well as transfer it to other people in the organization. It is essential to pay more attention to managing the knowledge process as mentioned above. By instilling knowledge is the best way to convert a manual worker into a white collar worker and into a knowledge worker. It requires that they should have the ability to manage themselves, the ability of problem solving, and decision making, as well as *continuing learning consciousness*.

Most organizations in a developing economy have insufficient budgets for purchasing training programs for the workers from consulting firms or business consultants. The American Society for Training and Development (ASTD) estimates that U.S. organizations spent \$1,228 per learner on employee learning and development in 2010. According to the findings from Bersin & Associates, in telecommunications, 23% of training program dollars is spent on customer service training;

We recommend that managers use one or more of the following training methods:

• Periodic Training

³ Internship, job rotations and practicum are a highly regarded component of *adult learning theory* (James Vesper, Umit Kartoglu, Rafik Bishara, & Thomas Reeves).

The main goal of this periodic training is not only to give the information, knowledge, but also develop the skills in the employee. Goals can include reducing rework and defects. Human Resource Development Professionals and managers or supervisors organize training activities and accompanying work measurements for employees. This concept is very similar to a vertical learning project (see Poell and Van der Krogt, 1997). The trainers should be well-educated and have enough skills for organizing the targeted training. Support and coaching at the workplace are believed to play a critical role in assuring the effectiveness of developmental employee activities, concerning both formal and informal learning and transfer of training at the workplace (Ouweneel, Cohen, & Van der Klink). House's description is the most commonly accepted and used categorization of social support, and actually distinguishes four types of social support: instrumental, informational, emotional, and appraisal support (House, 1981). The end result of the training is someone who is able to use it and combine it with his or her own work practice and reduce the mistakes in the work setting.

It may consist of classroom learning, after action review (Harper, 1996) (AARs), action learning (Boshyk, Mumford, Pedler, & Yorks O'Neil and Marsick), practice-based training, best practices, and so forth. It is possible to learn from the top management to the simple workers in the entire organization. Here is an example that can be applied in services, especially, retailing services.

Who responsibility	For whom	Where	Example topic	How often	Expected outcome
Top management	- Senior executives - All employees	Conference Hall/Store Hall	"The Merchandising Policies" The Business goal", Measuring results etc.	Once a month/ every 2 months	Proud of work, colleagues and organization. Better Knowledge about People Management.
Senior executives	- Middle managers - All employees	-Conference Hall -Training room -Work field	"Work Procedure" "Productive work and reducing cost"	Once an month	Cultivate the work relationship among the departments and employees
Middle managers	- Supervisors - All employees	-Conference Hall -Training room -Work field	The failures and successes of work	Twice an month	Perceive own responsibility in the organization
Supervisors	-Lowest level of managers - Workers	-Training room -Work field	Work performance and safety management etc.	Every morning	Developing the working method and techniques.
Same level workers	-Same level workers	-Training room -Work field	Work improvement ideas	Once an every month	Creating a sharing knowledge culture

Figure1: "Top Down-Bottom Up" Learning model

Best Practice: IKEA's employees share the best practices or "proven solutions" or "examples from reality" explored in the review process as published on the intranet or in the manuals provided by Inter IKEA Systems BV, as well as Range Presentation in the Store the IKEA Way (J.Foss, 2011). Much of this sharing knowledge is explicit, from lower-level units to headquarters and from headquarters to subsidiaries. Moreover, a set of manuals is provided to each store manager, and all other IKEA employees receive a light version of these manuals in a booklet called Basic Knowledge.

• Every morning-Training

We may also call it "quick training" or whatever you want. It should take only 5-10 minutes each morning before the work hours. Section managers, line managers, as well as middle-level managers, who are responsible for subordinates, can organize the quick-training. However, some people may argue that a 5-minute/10-minute training period is insufficient to learn something. Nevertheless, if we start it correctly and also continue correctly, it will improve the daily work.

The transfer of knowledge- as it occurred in every morning training- gave way to facilitating processes of knowledge sharing and knowledge development. Furthermore, employees can learn more effectively through a process of questioning, reflection, and feedback from others that permits deeper understanding to emerge from these otherwise everyday activities (Watkins, 1993). We also call it knowledge-exchange-free-field in the organization. This is possible for whoever attends this training.

Best Practice: Some branches of Costco organize short meetings every morning before work⁴. One of the main tasks of Costco is safe work⁵. At Costco, working safely extends to all areas of the operation, and that includes not using a mobile phone or other device while driving for company business. Employees share information and have conversations and discussions about how to work safely in their own working place. The meeting lasts about 10-15 minutes before work hours. Costco's top management provides a good environment to learn from one another in the working place for all employees. Supervisors spend 90 percent of their work hours training subordinates.

⁴ Costco Wholesale Corporation is the seventh largest retailer in the world. Costco's business model and size were similar to those of Price Club, which was founded by Sol and Robert Price in 1976 in San Diego, California. As of Jun, 2012, Costco has 602 numbers of locations (US and Puerto Rico includes 8 Business Centers), and has 160,000 employees.

⁵ Joe Utschig, General Manager at Costco Wholesale in San Diego, California, USA, interviewed June 27, 2012

• Apprenticeship Training

The apprenticeship systems of the Greeks spread to the Roman Empire and continued well on down beyond the fall of Rome, particularly in Byzantium, among the Saracens and other Oriental people. With the revival of trade in Western Europe preceding the Renaissance the apprenticeship system again came into wide use. (H.Nystrom, 1936) The countries with well developed apprenticeship programs are Germany, German-speaking countries, as well as the U.K. Ashton (2004) characterizes the United Kingdom Vocational Education and Training (VET) model as a "free market model.

The whole approach in the UK can be designated an output-oriented, performance based, model of VET (see also Oates, 1998, p.112 and Ragatt &Williams, 1988 and Ashton 2004). A training network is defined as a pool of numerous companies aspiring to guarantee apprentices qualified occupational training at a number of specialized companies. During their apprenticeship, the apprentices switch their training company on a yearly rotational basis (Leemann, Nov 20122). In the Republic of Korea (ROK), VET system has been operated in two different systems – vocational education benchmarked the American school system, and vocational training system benchmarked the German system (Na, 2010).

The apprenticeship training program would be the best basis and also the right start of *continuous learning* to the organization. Learning is about the continuing process of making sense of everyday experienceand experience happens at the intersection of conscious human life with time space, society and relationship (M.Kho, 2006).

Best Practice: Matsushita Electric Industrial Company's head of software development, Ikuko Tanaka and several engineers apprenticed themselves to the master baker of a hotel known for its especially tasty bread. Tanaka "noticed that the baker was not only stretching but also 'twisting' the dough, which turned out to be the secret for making tasty bread'. They developed and prototyped several models of mechanizing dough making. They also shared this best explicit knowledge with colleagues in their company.

• Team-Based Learning

Team-based learning is an important training method in order to get better knowledge and better performance. Team Learning is an adaptation of action-learning originally proposed in the UK by Reg Revans many years ago and recently rediscovered by organizational development consultants in the USA. It focuses on providing solutions to business problems by developing an open approach to questioning (McCann). The principle of team-based learning is that employees working together as a team are capable of achieving a higher level of learning than an individual worker alone. In many of today's organizations, teams develop strategy, design and produce new products, deliver services, and execute other key tasks that influence organizational performance (Edmondson Amy C, Apr,2008)

Peter Senge popularized five 'learning disciplines' that are at the core of the learning organization: personal mastery, mental models, shared vision, team learning, and systems thinking (Senge, 1990). According to the Senge's theory that teams are not only the fundamental unit of learning in organizations but rather team learning is presented as one of the other four disciplines enabling an organization to learn.

Team-based learning provides many benefits such as *accumulate different knowledge* from others, share information, knowledge, work experience and skills, express individuals' thoughts, learn good questioning skills, learn to work together, and to take responsibility for the success of the whole team. The members of these teams develop better communication skills with others. Knowledge can be transferred by moving people, specific tools and technologies, routines, and networks that combine people, tools, and routines. The evidence of knowledge transfer at GM is the improvement in manufacturing productivity and product quality. A key factor in GM's improved quality is knowledge transferred from NUMMI to GM (Inkpen, 2007).

Edmonson (2002) surveyed 12 manufacturing company teams that used 2 different team learning methods *incremental learning* versus *article learning* to identify which learning method most improved organizational performance. Wong (2004) surveyed 73 teams from multiple organizations and industries measuring both *local learning* and *distal learning*.

Self-directed learning

Even organizations that spend enough money on education and development of managers and employees, there is a case of the participant who is not interested in the training or learning, or not perceiving the importance of training. In this case, we can't see any good results from the participants or trainee after or during the training. Klink.M.R(1999) found that training effectiveness is influenced much more by trainee characteristics than by the training itself.

An individual consciousness and individual responsibility is to influence to receive the good results from the training. A method of cultivating the individual consciousness and individual responsibility is to support employee self-learning. Many learning activities conducted by employees individually themselves become visible and systematic, both to themselves and to others (McLagan & Van Ginkel).

Adults prefer a problem-centered orientation to learning that draws on real-life applications rather than hypothetical situations and draw on their own life experiences as a resource for learning (Burton, Oct,2008).

According to Kolb definition of learning (1984, p.38), there are two important part of how individual learn, first what individuals are learning and how they understand these learning and second how much and in which manner they apply these learning (Hassan Danial Aslam, May, 2011).

By acquiring self-directed learning ability is not only an influence on education, knowledge for performing his or her work, but rather to impact on change skills, attitude as well as behavior. Tziner, Fisher, Senior and Weisberg (2007) similarly found the effect of transfer climate on transfer outcomes to be mediated by motivation to learn. Transfer climate motivates trainees to use new knowledge and skills on the job.

Best Practice: Costco supports employees self-learning by the Costco intranet system so-called 'Costco University' that includes a lot of useful training materials for employees. Online training programs consist of a bunch of handouts, audio lessons and other necessary information prepared by related departments such as the Human Resource Department. For instance, there are many different training programs for each work position such as 'Food Safety Training', Fresh Foods Training', 'Safe Lifting &Safe Cutting', 'Dangerous Goods', 'The New Book at Sell', 'Costco Pay Policies', 'Customer Compliance', 'Employees Life Challenges' as well as 'Warehouse operation'. It is possible to assess the training results by trainee himself whenever he uses the online system without distance and time. The quiz consists of 50 questions generally and the trainee is able to know the quiz results after each answer. If employees pass the examination, they receive an official certificate authorized and approved by the State Government.

Other Methods

Job Rotation

Job rotation is a good way to learn work techniques from different positions in a short time.

By doing and attending the job rotation, the trainee would well understand organizational communication among the departments in the entire organization. An important benefit of job rotation is that workers prefer to perform a variety of tasks than to specialize in a single task. One of the stylized facts concerning job rotating companies is that they offer workers various combinations of attributes such as egalitarian distribution, lifetime tenure, and participation in decision making (J.Miceli, Jun,1999).

Academic Learning

Employees can learn more scientific knowledge by attending academic learning programs including degree or non-degree as well as certificate programs. Academic disciplines have enjoyed a corresponding freedom to choose those students who best fit their requirements (A.Kolb, 1981). Academic learning helps employees not only to acquire higher learning but also to acquire scientific knowledge to make decisions and solve problems.

Customized on-site Training

Customized on-site training is based on the company's training needs and that have been implemented by experienced business experts or a professional training center. Advantages of this training are the involvement of employees at the workplace, better skills, knowledge, better problem solving, and obtaining professional assistance from the experienced experts facing issues in the organization. This method of custom-designed training reduces the time and cost to train employees.

Field Study

Field study give managers and employees practical management skills they can apply every day on the job as well as to help them better understand the challenging dynamics of their own business and industry. Field study refers to face-to-face interviewing, participant observation, data collection, and survey research. Face-to-face interviewing is very helpful for managers and employees to learn interviewing skills and practices and know-how from external and internal sources.

The Certificate Training Courses

Short term training courses helps to educate and broad knowledge, skills, and experience to the employees. Employees not only learn through lectures, presentations but rather are able to study practical experience from field visits while in training. The certification is a good motivational way to effectively train the employees⁶.

Distance Learning and e-Learning

Distance learning is a learning activity that uses television, audio and video tapes, computers, internet, etc., instead of physical attendance at classes in a centralized facility. Distance learning involves the use of learning materials delivered through the post or electronically, known in the latter case as e-learning. These forms of learning are able to provide large populations with uniform or consistent material, and access is flexible so that people can learn in their own time⁷.

The Asian Productivity Organization (APO) organizes e-Learning courses for their 20 member countries at the same time without distance and space. e-Learning courses are offered by the APO in a variety of formats: videoconferencing, Web (Internet)-based platforms for live sessions, and self-learning e-courses⁸.

Conclusion

Training is an important key factor for human resource development in an organization. The training is not only cultivating work knowledge and skills, developing productivity for the production and services, but rather impacts on modification of employees' attitude and behavior for performing work. However, it is difficult to evaluate the modification of employees work attitude and behavior after the training. It requires much time for measuring its impact on employees work outcome and productivity performance. Saks and Belcourt (2006) report 62% of employees to apply what they learn in training immediately after attending the training program, but they also indicate this percentage to decline to 34% 1 year after training. It is possible to measure and compare the before-after-training results in using evaluation forms. Generally, we can measure the training result

⁶ UC San Diego Extension offers a rich array of educational opportunities. With more than 600 courses and 120 certificate programs offered each quarter. <u>http://extension.ucsd.edu/</u>

⁷ The Chartered Institute of Personnel and Development (CIPD) http://www.cipd.co.uk/

⁸ Asian Productivity Organization, http://www.apo-tokyo.org/

by monetary value or non-monetary value in internal or external environment. Kirkpatrick suggested (1959;1960) that behavioral and results measures are useful external indicators of actual knowledge transference to job specific performance (Robert C.Erffmeyer, 1991). Managers have been using training measurement such as the Kirkpatrick's method, Balance Score Cards, Stone's measurement on so forth. Moreover, organizational structure and cultures factors are strongly influences on training outcome.

I recommended 5 different job training methods including both formal and informal learning. All of these training methods have advantages and disadvantages, respectively. In a rapidly changing business environment, employees need to be able to continue learning and adapting their capabilities to support work performance and organizational strategy.

Employees can attain new knowledge, skills, good attitudes, and better pay, better job prospects, and many other opportunities. Organizations benefit from better communications skills, explore the hidden talent of a trainee, more productive works and better business profit from the training results. These good results could be influence the development of the country. Hence, we can conclude that training performs one of the significance roles in the economic development of the country.

There are not best fit training methods or prescriptions; it depends on many factors such as organizational size, structure, culture, atmospheres, management style, number of employees, employee's knowledge, skills and behavior and so forth. However, managers can create the best fit training methods suitable to the organizational characteristics. It requires that the principle of continuous learning is the goal of the entire organization. Human capital plays a significant role in the process of knowledge accumulation, productivity growth as well as economic growth in any countries. Particularly, formal training is might be more useful and be able to implemented with low cost to the small and medium enterprises (SMEs) in the developing economies such as Laos, Mongolia, Vietnam and Cambodia.

We can all learn from individuals, the entire organization, and the country. The learning activity is the key for tolerating from facing the risk in the future at any level; individual, organization and country. Educated people are the key to reach the sustainable development for a developing economy.

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