ABSTRACT

Seven trends are emerging in the corporate training and development sector of human resource development (HRD). First, there is an increasing corporate commitment for training. Employers are viewing training today as an essential element in their competitive business strategies. Second, customer service training is becoming the competitive weapon for U.S. businesses. As competition increases, product differentiation becomes more difficult and product positioning more complex. Third, technological change will have the greatest impact on HRD in the future. With this trend will come the need for new knowledge, skills, and understanding. Fourth, the problem of workplace literacy will take priority. With the increasing use of technology comes a dramatic number of illiterate workers. Thus, it becomes more difficult to meet the technological demands. Fifth, distance learning and training technology programs are increasing. Distance learning refers to training and educational programs delivered to sites other than those where they originate via electronic or hard copy formats. Sixth, corporations are investing a great deal of time and money in executive education. Seventh, there is a need for training marketing or corporations selling their training services to the general public or to other organizations.

There are several implications of these trends for graduate preparation in the field of adult and continuing education. Adult educators should (1) work in corporate settings; (2) understand the issues in workplace literacy; (3) broaden their preparation through interdisciplinary study; (4) understand the impact of technology on the workplace; (5) participate in meaningful internships; and (6) contribute to the field of HRD. (27 endnotes) (NLA)
TRAINING IN THE TWENTY-FIRST CENTURY:
WHERE DO WE GO FROM HERE?

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By

W. Franklin Spikes, III, Ed.D.
Professor and Chair
Department of Adult and Continuing Education

College of Education
Kansas State University
Manhattan, Kansas

(913) 532-5535

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Introduction

Adult educators hold a variety of roles. They work in many different types of organizations and have responsibilities in a number of sub sections of the profession. Every decade or so the changing nature of the field is chronicled in the Handbook of Adult and Continuing Education. Over the last 30 years, Malcolm Knowles in 1960, Bob Smith, George Aker and J. Roby Kidd in 1970 and most recently Sharan Merriam and Phyllis Cunningham this year have served as editors for this compilation of readings about issues related to the modern practice of adult and continuing education.

One sector of our business that has shown consistent and rapid growth over the years is the area of corporate and business and industry training and development programs, known to many these days as HRD or human resources development. The field of HRD is a broad one that is defined in many different ways. To some it equates to the personnel administration function of years gone by. Others consider it to encompass personnel administration, and labor relations, compensation analysis, benefit administration, organizational development and training.

For the purposes of this presentation I will focus upon issues facing the training and development sector of the HRD field and assume that functions such as benefits, compensation labor and labor relations and general personnel administration concerns are best addressed in other forums.

Background

The evidence is clear. Today’s workplace is far different from yesterday’s. The workplace of the next century will pose challenges and opportunities that are in many ways impossible to conceive of now. Workers will be different. Competitive forces will increase. The global economy will become even more of a reality than it is today. Technology will play an ever more prominent role in the 21st century than it does now. By some estimates more than seven out of ten workers in the year 2000 will be engaged in sales or service related occupations. (1) At the same time a corresponding drop in the number of manufacturing and industrial workers is also predicted to occur. Data indicate that the number of women, older workers and members of minority groups will dramatically increase in the years to come.

The magnitude of these changes and the possible effects that they will have on corporate America are staggering. Managers who have worked in occupations that have been traditionally dominated by white, middle aged men will be faced with a new menu of issues to deal with and new challenges to face. If there is a given in tomorrow’s workplace it will be the rapidity and consistency of change that will take place. However, history has shown that if managed, and managed effectively, change can be a mighty ally. Likewise if ignored or mismanaged this same change can be an equally devastating foe.

In order to effectively manage such change, American employers are investing heavily in human resource development activities in general and in training and development initiatives in particular. To an ever increasing extent employees are being viewed as valuable assets with training being viewed as the vehicle to be used to assist them in increasing their work-related skills and knowledge, increasing their productivity and developing a long term career commitment to their employer.

In looking at both the literature and at current practice in general, seven trends in corporate training and development activities can readily be identified. I would like to talk about these trends now, and then in light of this information address my concluding remarks to some future directions for graduate programs that prepare adult and continuing educators.

Training Trends

Trend One: Increasing Corporate Commitment for Training

In a recent Training Magazine annual industry study, Beverly Geber reported that more than $32 billion dollars were spent yearly by American corporations on formal training activities. Of this amount, 70% or $22.4 billion dollars, were spent to support internal training activities. The remainder, some $10 billion were spent on external programs, training hardware, materials, seminars and services.

In this same study, respondents in all of the eight industry groups that were surveyed reported an increase in annual expenditures designated to support training and training related activities. For example in one industry group, the transportation, communication and utilities cluster nearly 40 percent of the respondents reported a year to date increase in annual training expenditures. Fifty two percent of this same group predicted that yet another increase in training expenditures would occur in the year to come.

In a more recent study funded by the United States Department of Labor, Anthony Carnevale, the Chief Economist and Vice President for National Affairs with the American Society for Training and Development reported that

"Formal learning, of all kinds, occupies about 77 million people annually and costs as much as $304 billion dollars... (Of this)... employers deliver learning to more people than does the entire U.S. higher education system."

Addition information from the results of this effort can be found in ASTD's recent publication entitled The Learning Enterprise by Carnevale and Gainer. This project will also be chronicled in a forthcoming book that will be published later this year that will deal with the Organization and Strategic Role of Training.

Clearly, American employers are viewing training today as an essential element in their competitive business strategies. Investments are on the increase. Training no longer is being seen as an add-on. It is now at the core of those businesses that are positioning themselves for the future.

Training Trend Two: Customer Service Training

Today's customers are different than those of days past. Brand loyalty is virtually nonexistent. Portable loyalties now dominate the marketplace. Consumers buy products clearly on the basis of perceived benefits rather than basing their purchases on historically derived traditional buying patterns. As competition increases, product differentiation becomes more difficult, product positioning more complex. In many ways service is becoming the new competitive weapon for America's businesses. Witness the turnaround of the Ford Motor Company in the early '80s when Donald Peterson injected service as the competitive byword. Revenue increased. Sales increased. Earnings increased. Witness too, the turnaround at Scandinavian Airlines when, after reformulating their business strategy to emphasize service,

"... (it) went from an $8 million annual loss to a gross profit of $71 million on sales of $2 billion in little over a year. SAS was voted "airline of the year" and has laid claim to being the most punctual airline in Europe."(4)

In his most recent book, Thriving on Chaos, Tom Peters discussed data available from the Washington-based Technical Assistance Research Program (TARP). (5) Briefly put it was found that on the average, one out of four customers of an organization is unhappy enough with customer service to leave. More than 90 percent of these people will leave. Only one of twenty seven who is unhappy will even complain.

Based upon these and many other data employers are recognizing the drastic economic affects that poor service can have upon their businesses. Because of this, customer service training is becoming increasingly more important today and will be even more important in the years to come. In 1987 Dale Feuer reported the results of a comprehensive study of eight industry groups regarding future challenges to an organization's training and development function. When asked what "the most critical challenge would be for training over the next five years" 24 percent of all of the respondents replied that customer service training would be the


number one issue that they must face. Four separate industry groups in this same study indicated customer service training was their number one priority. In one cluster 50 percent of the respondents indicated that customer service training posed their greatest challenge in the years to come.(6)

Clearly customer service training has come a long way from the days of the "Smile: Have a Nice Day" emphasis of yesterday to a function that today is essential to the survival of tomorrow's businesses. Zemke, among others, in his two most recent works has given us a clear picture of the importance of training people to manage service oriented organizations. His first endeavor, co-authored with Karl Albrecht, was titled Service America. It has served as the basis for many recent international training initiatives for a wide range of service industry groups ranging from health care to transportation organizations.

**Training Trend Three: Technical Training**

In a recent study of its membership and potential membership, the American Society for Training and Development (ASTD) reported data that showed that technical trainers outnumbered management development and other types of trainers in the United States approximately 3 to 1. At their first two technical training conferences, ASTD drew more than 750 attendees to each meeting. The Federal Bureau of Labor Statistics, in a 1988 report, indicated that by the year 2000 the number of technical jobs in America will increase as much as 32 percent and that this growth would outpace growth in other sectors of the economy by as much 19 percent. Carnevale and Schultz (7) reported that nearly $ 70 million was spent in 1987 to send technical personnel to conferences and seminars. In this same study they indicated that nearly $104 million was spent on technical training related outside training and supplies in that year alone.


As recently as five years ago it was estimated that a newly graduated engineer's knowledge became obsolete in 36 to 48 months after graduation. Now is it estimated that at best the obsolescence factor may be as little as 18 months, with some professionals being considered obsolete before one graduates from a four year degree program. Engineers are not alone. The same holds true for scientists, architects, mathematicians and computer scientists. This latter group clearly is one the cutting edge of technology and may well be experiencing the fastest knowledge turnover of all workers. In addition to these professionals there are millions of office workers and managers who are faced with issues of office automation, data management and manipulation and information processing that must be trained to function within the modern, technologically orient workplace.

Perhaps the most telling commentary of the place of technological change in the training arena comes from two studies of Fortune 500 human resource development professionals. Results from the first study indicated that of all factors, technological change would have the greatest impact on HRD in the future. The second study, conducted one year later by the same authors again revealed the importance of both managing the impact of developing technology and for training employees to effectively function with the changes caused by these developments.(8)

Training Trend Four: Workplace Literacy

In the mid 1970's one of the first major national studies of illiteracy in America was conducted by the University of Texas at Austin. The Adult Performance Level Study (APL) sought to determine the scope and extent of adult illiteracy among American adults. The results were staggering. By their measures, more than 23 million men and women in the United States were functionally illiterate.(9)

Since then additional research has been conducted. The Business Council for Effective Literacy, a New York-based voluntary organization comprised of corporate leaders from throughout the nation, recently reported that about 12 percent of the nation's workforce is functionally illiterate, i.e. they cannot read, write, calculate or solve problems at a simple level.(10) A recent estimate by the United States Department of Labor indicates that “30 percent of the unskilled, 29 percent of semiskilled and 11 percent of all managerial, professional and technical employees" are functionally illiterate. (11)


The economic consequences of such illiteracy are significant. Mutual Insurance of New York estimated that 70 percent of its correspondence had to be retyped due to spelling errors. JLG industries spends $1 million annually to correct worker errors due to illiteracy issues. In a recent article Time Magazine estimated that what they characterized as the skills deficit has already cost businesses and taxpayers $20 billion in lost wages, profits and productivity.

The paradox here is clear. Earlier the trend toward increasing uses of technology and the impact that it will have both in the workplace and on human resource development professionals was described. With this trend will come the need for new knowledge, skills and understanding. Yet with these needs comes a clear, dramatic and increasing number of illiterate workers in the workforce. In light of this situation it becomes ever more difficult to meet the demands of tomorrow's workplace when the needs of today's employers are so far beyond the competences of many of our workers. David Kearnes, the Chief Executive Officer of Xerox Corporation perhaps said it best. In a recent speech before the Commonwealth Club of California he stated:

"The American workforce is in grave jeopardy. We are running out of qualified people. If current demographic and economic trends continue, American business will have to hire a million new workers a year who can't read, write or count".

It is interesting to note that some organizations have been addressing the problem of workplace literacy for a number of years and in a number of ways. Polaroid has been working in this area since 1969. Ford has instituted workplace literacy programs in 25 of its manufacturing plants. AT&T reportedly spends $6 million dollars per year on remedial courses for employees.

For the purposes of this discussion one of the most interesting models of workplace literacy programs is offered by Bell South. Taught by correspondence courses and utilizing other distance learning methods, this program enrolled more than 7,000 participants in 1988. Recent estimates indicate that with the provisions of the new Bell South bargaining agreement now in place, enrollments of Bell South employees in this program will double within this year.


14. Ibid.

It is significant to note that other major private sector organizations have begun to address the issues of workplace literacy in a substantial way. Among these are Scott Paper Company and U.S. West Communications (formerly Mountain Bell) as described by David Stewart in the current issue of *Adult and Continuing Education Today* (16); the joint effort of Domino’s Pizza Distribution Corporation and the United States Department of Labor (17); and the Tech Prep Program jointly sponsored by the United Auto Workers and Chrysler Motor Corporation (18).

At the Federal level workplace literacy is clearly becoming an issue of major importance. Some of you may be familiar with the Comprehensive Illiteracy Elimination Act of 1989, authored and sponsored by Senator Paul Simon of Illinois. Within the last two weeks it passed the Senate by a 99-0 vote. This bill, the first of its kind in years, sets aside specific provisions for hundreds of millions of dollars to address issues in the area of workforce literacy including training of professionals and volunteers and the establishment of a National Literacy Center.(19) In addition to Simon’s work in the Senate, Congressman Thomas Sawyer of Pennsylvania is in the process of sponsoring similar legislative initiative H.R. 3123 in the House of Representatives. Finally, I would commend each of you to become familiar with two documents of importance.

The first, entitled *Jump Start-The Federal Role in Adult Literacy*, was written by Forrest Chisman of the Southport Institute for Policy Analysis. Published in early 1989, "Jump Start" provided a key conceptual organizer for most of the current legislative initiatives related to workplace literacy (20). In addition to Chisman’s work, a second document entitled *Investing in People - A Strategy to Address America’s Workforce Crisis* that was published by the United State Department of Labor’s Commission on Workforce Quality and Labor Market Efficiency in September of last year provides an extremely valuable analysis of the major issues now facing the American workforce. Written in part as a response to the 1987 *Workforce 2000* report, David Crawford and his colleagues have clearly and effectively painted what unfortunately is a very frightening picture of our future labor force and the consequences that we as a nation will face if the issues described in this text are not addressed in a meaningful manner.(21)

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Distance learning refers to training and educational programs that are delivered to sites other than those where they originate via electronic or hard copy formats. Today, in many instances, distance learning programs are highly technologically intensive. They utilize live or prerecorded video or audio presentations, satellite broadcast formats, microwave or computer networks. In some cases, like with the Bell South program that was described earlier, the more traditional textbook/hardcopy format is used. In a few limited instances high technology applications such as the interactive video disc system used by Xerox Learning Systems to teach PSS III sales training or the video film format utilized and marketed by McDonnell Douglas Corporation are employed.

Regardless of the instructional medium, the goal of these programs is the same: to deliver high quality, timely and consistent training to employees at locations that are removed from the originating training location and who by distance or cost are prohibited from taking part in training and development activities. In live video-based applications the key is timeliness. By example Ford Motor Company recently presented a description of it’s in-plant video system at the annual meeting of the American Society for Training and Development. Piloted at it’s Louisville plant, this system will be installed in all of Ford’s facilities and will provide employees with a wide range of training and informational opportunities. Another interesting application of distance learning technology has been developed by five major employers in the northwest and Eastern Washington University. Using a microwave network, employees of the cosponsoring organizations can receive all types of educational programming without leaving the job site.

Today, the satellite downlink is common. The uplink is becoming increasingly more so. With this capacity, corporate America is involved in originating and receiving electronic satellite-based training and development activities at an ever increasing rate. Recent information indicates that more than 100 commercially produced video conferences will air between October 1989 and October 1990. This number does not include those offerings that are corporate specific such as Ford’s or those offered over Holiday Inn’s Holinet programming. Clearly for the corporation with modern telecommunication facilities and the capability to broadcast via a satellite uplink, training becomes a far more wide ranging proposition than was possible in the days of only on-site lecture led discussions.

Training Trend Six: Executive Education

The Bureau of Labor Statistics reports that of the 120 million people in the workforce in 1987, 2.5 million were classified as executive or
general managers. (22) Although in some cases, external vendors are utilized to train some of these executives, about two thirds of the executive education in Fortune 500 organizations is provided by in-house resources. (23) In 1987 a study of executive education practices and trends of 300 leading companies in eight major industries was performed. (24) Participants in this study were drawn from the 300 largest of the Fortune 500 corporations. In general this report, titled Executive Education in Corporate America is considered by many as the definitive study in the area of executive education in our nation, found the following:

1. About two thirds (200) of the respondents had some type of executive education programs.

2. The average budget for executive education programs was between $100,000 and $500,000 per year. Less than 1 percent of the population was typically served by these programs;

3. Six major program areas for executive education opportunities were reported by respondents in this study. They were, in order of magnitude: individual development; succession planning; organizational development/change; strategy related topics; communication/process information; and culture building. Of the Utility Group, 75 percent of the respondents indicated that succession planning was the most important topic for their executive education offerings; and

4. About two thirds of the respondents use a combination of external and internal resources to staff their executive education programs with 82 percent using some type of university based programs.

While this study reported a wide range of additional data, data which would be particularly useful in expanding specific executive education programs, the more important implication for the purposes of this paper is clear. American corporations clearly are investing a great


deal of time and money to prepare their senior managers for positions of leadership. Long run issues, i.e. succession planning and organizational development/change, are being studied. Businesses are positioning themselves through the use of executive education programs to enter and effectively compete in the twenty-first century.

In a recent article in *Training* Magazine, John Murphy, Director of Executive Development for GTE Corporation wrote about their recent four phase quality education program and their commitment to developing an ongoing program of quality education for senior managers.(25) Beginning with twenty of the Corporation's top executives, GTE's management development staff and senior operating office for quality services, has clearly over time and not without difficulty, made significant changes in the culture of the corporation and the level of quality that it provides. Certainly in this as is many other instances, management education at all levels of the organization, executive to first line supervisor, is being evermore viewed as a major strategic weapon in the years to come.

**Training Trend Seven: Training Marketing**

In the first portion of this presentation, training budgets and expenditures were discussed. Of the $32 billion annually spent on training and development activities, about one third of that amount was identified as being spent on products and services of external vendors including consultants, universities, media firms and providers of educational and training hardware. With this market in mind, some American corporations have sought to sell their training services to the general public or to other firms or organizations. One example of this type of effort is that of Xerox Learning Systems which successfully marketed its interactive video disc based and lecture led PSS I, II, and III sales training programs throughout the nation. Arthur Anderson in Chicago, is another example of a major national firm that has entered the business of marketing and selling training services. IBM is yet another player in this portion of the business world as is Southwestern Bell.

Perhaps the most germane example of this type of enterprise for consideration here is Bell South. Referenced in the earlier discussion of corporate literacy efforts, Bell South provides a particularly good model to examine. Through Bell South Educational Services, nearly all of the Corporation's training programs are made available to employees of other organizations. Like any other training vendor, Bell South Educational Services operates on a fee for service basis. It has revenue objectives, sales and marketing personnel, course catalogs and sales objectives. Though difficult to ascertain at this point due to the proprietary nature of the information, it appears that this is a profitable operation. More than 7,000 people enrolled last year in its literacy in the work place program alone. Twice that number is expected next year. Bell South has now executed an agreement

with one of the major publishers of training and educational materials, Steck Vaughn of Austin, Texas to develop and market specialized training materials for use with their employees. Correspondence study alone resulted in $200,000 being returned to the corporation to defray other Bell South training-related operational expenses last year.

There certainly is a market for developing and selling corporate-based educational services today. The precedents are there. The market is there. A 1/10th of 1 percent market share would, at current levels, result in gross revenue of $10,000,000. Carefully planned and aggressively sold and marketed training activities clearly have the potential for producing a meaningful return on investment. The market is not an easy one, but the market exists and given the data appearing elsewhere in this document will continue to exist in the years to come.

Given all of this information, what are the implications of these trends for graduate preparation in the field of adult and continuing education? Some of my thoughts follow.

**Implications for the Preparation of Adult and Continuing Educators**

I feel that several very clear implications can be drawn from the foregoing data. First, it is obvious that there is a great need for adult educators to work in corporate settings. I am not just speaking of trainers. The foregoing information says to me that we have an opportunity to prepare people for a variety of roles within a modern training organization. Some of you may recall Pat McLagan's work, *Models for Excellence* in which she outlined 15 roles that training and development specialists can play and suggested the competences appropriate to each role (26). In her 1989 follow up study these data were modified and somewhat refined.(27) Both practice and research indicates to me that we should be looking at preparing people to effectively deal with these new roles such as managing a highly technologically based training organization; preparing distance learning programs; and being able to make judgements about the effectiveness and efficiency of internal or vendor based training materials. Our students must likewise begin to be able to speak to the issues surrounding ROI, return on investment, matters. They must begin to be able to understand basic business functions, become effective consultants and internal problem solvers and understand the process of adult learning and how it can related to training and development initiatives. Perhaps most importantly we must begin to allow our graduate students to develop a sense of reality about the corporate world of work and more importantly the relationship of training and organizational development in and to the corporate structure.

A second major area in which I feel that we have a great opportunity to make an impact these days concerns workplace literacy programs. I would offer that if we can develop graduates who have both a clear understanding of the corporate world, who have expertise in many of the foregoing areas and who understand the issues and factors involved in literacy learning activities, we would clearly be meeting a need in both the immediate marketplace and in the marketplace in the years to come.

Thirdly, I feel that we must provide opportunities to students to broaden their preparation through interdisciplinary study. We must look at and encourage graduate students to pursue coursework on an elective basis in other disciplines as well as our own. On our campus in St. Louis, this takes the form of having our students with and interest in the corporate world study in the School of Business Administration or in our joint program of organizational psychology. It also take the form of bringing faculty members from other School and Colleges to the School of Education as members of graduate program and thesis and dissertation committees. Obviously this type of broadening experience has to be balanced with the reality of degree program requirements and School and College rules and regulations. However, it is clearly my sense that when possible such interdisciplinary study can and must be encouraged.

A fourth opportunity area lies in the wide range of issues related to technology and its applications in educational environments. There is no doubt in my mind that the training organization of the future, the classroom of the future, the education of our citizens of the future will be technologically driven. Our students must be ready to deal with the impact of these technologies in the workplace. Computer literacy for example is no longer sufficient, nor is being familiar with such systems. Rather, we must build opportunities for our students that allow them to become informed managers and effective users of all forms of technology.

Finally I would like to share two more notions with you about opportunities for graduate preparation in our field. First, I feel that we must clearly provide meaningful programs of field based study/ internships or practicums for our graduate students. We all know that in many instances the real world of the corporation, agency, organization or institution is somewhat removed from our classroom. This is neither a good or bad value judgement issue. Rather it is a descriptive one that provides us an opportunity through internship programs to bridge some of the ongoing differences between theory and practice and allow for the effective blending of the two.

Lastly, and perhaps most globally, I believe that we must continue to strive to provide opportunities for our students to contribute to the profession as a whole. This means seeking out situations in which they can be involved in state, regional and national conferences; this means working to bring in leaders in the field for them to interact with; this means looking for opportunities to involve them in research and publication efforts; this means assisting them to develop a broadly based view of our profession, to contribute to it, to learn from it and to leave this campus with the belief in mind that they can and will be able to become leaders in field.
In summary then, I've shared with you some of those trends that I see are present in the general field of training and development and in the latter portion of this presentation focussed upon some of the directions and issues that I feel are both opportunities and challenges for graduate studies in adult and continuing education in the larger sense.

Ultimately perhaps what we should try to do as we move forward to prepare educators of adult in all sectors and for their many, varied roles was best said by W.E.B. DuBois in his 1903 work *The Souls of Black Folk* when he suggested

"The function of the university is not simply to teach bread-winning, or to furnish teachers for the public schools or to be the center of polite society; it is, above all, to be the organ of that fine adjustment between real life and the growing knowledge of life, an adjustment which forms the secret of civilization."

My sense is that through the education and preparation of adult educators, we have not only the opportunity but the responsibility to assist in a meaningful way with this adjustment process and to truly contribute to the furtherance of our civilization.