

## Training and Development in Organizations: Strategic Innovations and Applications

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**Abstract:** This research is a conceptual study of training and development in an organization in general and a discussion of strategic innovations and standards developed for the purpose of individual as well as organizational learning, in particular. For instance, training that used to be an operational requirement and administrative necessity has now grown into a massive Learning and Development (L&D) strategy in large corporate organizations, necessitating employing a Learning Management System (LMS) in order to run and monitor the training support packages across the organizational verticals. Various questions shall be raised in this research; for instance what changes can be seen in learning strategies after learning, replaced training in the corporate lexicon? How are learning activities designed, delivered and monitored across all verticals? To what extent learning strategies in organizations are aligned with business and HR strategies? Evidences will be drawn from survey reports, case studies and the relevant literature on the strategic alignment of learning. References shall be cited from these studies that will justify why organizations must align the learning function to their business strategies.

**Key words:** Learning management system, strategic alignment, training, alignment, corporate organization

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### INTRODUCTION

Drucker (1985), the management guru, believed that people in an organization are knowledge assets and not liabilities; they are most valuable resource and they must be developed to perform through continuous innovation, value addition and creative solutions. An organization is a knowledge organization and a worker is a knowledge worker where people are continually learning and expanding their skills and capabilities; where people are rightly called knowledge capital or human capital as they strive to meet the business goals and objectives (Drucker, 2011) where people effectively use organizational knowledge and where people make the best use of knowledge to achieve organizational objectives; where a Knowledge Management (KM) system is created to develop such KM practices that are often a part of business strategy (Addicott *et al.*, 2006) where improvement of performance is a strategic priority to achieve competitive advantage (Gupta and Sushil, 2004) and where knowledge is seen as a strategic asset (Maier, 2007).

There is a strong similarity between the principle of learning organization and the concept of people as knowledge capital because both these concepts favour a learning culture in an organization where people can be trained in policies, processes and procedures; tools and

techniques; skills and motivation practices and where people can learn and adapt. Moreover, both the concepts go together very closely in many organizations often aligned to the business strategy (Addicott *et al.*, 2006). This research primarily discusses the issue of training aligned to the business strategy and how this alignment acts as a synergy to achieve business goals.

**Alignment as a synergy:** Alignment of training with business strategies in simple, plain language means to use the corporate strategy to influence the state-of-the-art learning in the organization. That is, learning in the organization must adapt itself to the business strategies. Jon Windust calls this approach of alignment as a cutting-edge learning approach enabling employees to increase their skills and abilities in areas of strategic importance and organizations to achieve their corporate objectives. Now how to determine a particular set of learning skills or a training program that will facilitate a profitable or behavioral outcome specific to the business strategy is the core issue. The answer lies in the business strategy itself and its alignment with learning. If employees are trained with the right set of skills targeting a specific business strategy, (e.g., competitive advantage, marketing differentiation, etc.) and the potential learning outcomes are achieved, it means their learning is adequately aligned with the business strategy.

This alignment between training and business strategies can be proved with a simple rhetoric let us ask the CEO of an organization about the goals that his company has fixed for the next fiscal year; then ask him about the strategies he has planned to achieve those goals and how many employees will be required to accomplish the goal and whether any new knowledge and skills would be required to be imparted to those employees. The answers to these questions will first disclose goals and targets followed by what strategies shall be used to achieve them. This will also reveal the alignment of training with business strategy if a specific training is required to be imparted to acquire new knowledge and skills by such employees who would be entrusted upon the task to achieve the organizational strategic objectives.

### **MATERIALS AND METHODS**

To cite an example, an empirical study was carried out in Taiwan on Six Sigma (Cheng, 2013) This study is an evidence of how leadership of an organization require its employees to learn Six Sigma skills as a business strategy and to achieve a competitive advantage. Initiated by the organizational leadership, all employees were involved in learning this new methodology. A Six-Sigma steering committee was constituted and managers were asked to act as communicators of the Six Sigma vision and work as drivers of organizational change. The management team also decided to revise its mission and vision expecting its employees to contribute to organizational change by learning new skills and also get rewarded by acquiring key positions in the organizational leadership. This case study is also an evidence to show that when organizational top management decides to implement new concepts or new ideas, it must evolve an explicit strategy and change its approach by challenging the existing system through a shared vision thus, enabling other employees too to contribute their share. There are similar studies about various other organizations such as General Electric, Motorola, Honeywell, Bombardier, ABB and Sony that show how leadership links training of new skills to business strategy in order to achieve operational and business excellence.

According to Brandon Hall Group's Benchmarking study on L&D strategy training or learning is no longer seen as a cost center but a mission and vision of the organization. Out of over 560 organizations surveyed, the study proves that, nearly 75% have learning strategies highly aligned to business goals and monitored by c-suite (top management) and not by HR department; that nearly half of the organizations have evolved a culture of

learning aligned with business goals and prefer to call themselves learning organization having evolved a full fledged learning strategy, aligned L&D objectives with organizational goals and strategies and employees output linked with productivity and performance as measurements and indicators to increase revenues.

Learning is thus becoming an outcome of training in the workplace. A few organizations have even developed an inbuilt learning mechanism in the form of a learning institute, a kind of a corporate university wherein employees attend customized courses and excel in their areas of expertise. Organizations like McDonald, Wipro, Infosys, Apple, Google, Motorola have started talking about learnability as a unique skill of their employees and prefer to call themselves a Learning Organization. Training in these organizations is thus redefined and restructured as organizational learning. What was earlier considered as administrative function or a necessary tool to ensure that employees possessed necessary skills to carry out the assigned job was transformed into a kind of organizational learning. Such organizations have started calling their employees as intellectual assets or intellectual capital or knowledge workers who now collectively work for achieving organizational goals and objectives. Such organizations are thus people's organizations where intangible (intellectual) assets are more important than the tangible ones (Drucker, 1985).

A unique example can be cited of Shell, the American oil company which has institutionalized the learning process. This organization can rightly be called a 'Learning Organization' as it fosters learning and attempts to develop a skill-mechanism embedded in their employees that would give them enough competence to face any kind of challenging situation. Such a deliberation was seen much better than designing and impelmenting a training plan impromptu when the need arises. In other words, employees are trained proactively to face any kind of situation. Their preparedness is a sum total of the slogan that Shell has raised: "Planning while Learning" which equips the employees with all types of innovation, perseverance and also capacity to face any kind of changes and unpredictability in the world oil markets. To sum up, the planners of training in Shell prepare their employees for any uncertainties in the environment.

Due to this paradigm shift in training, most organizations have evolved Learning and Development (L&D) systems to organize training events. Training resources are identified, designed and developed for organizational development and for the achievement of the organization's strategic goals. The L&D system ensures a close integration or alignment of training activities with the business strategy where employees are

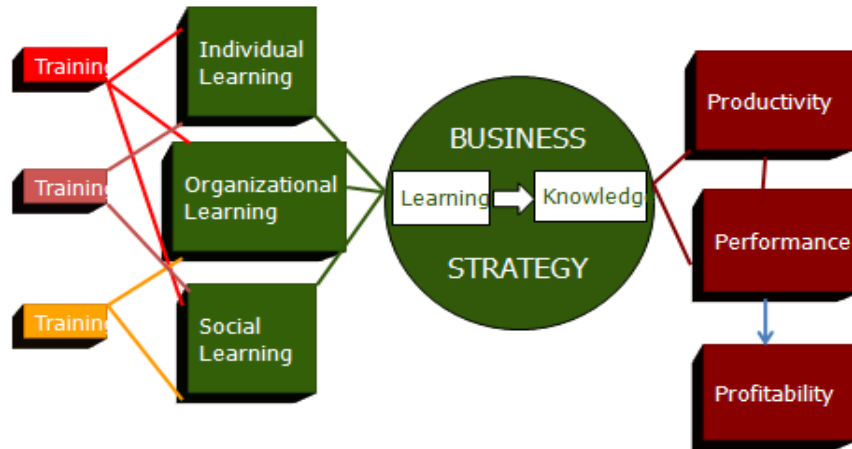


Fig. 1: A learning management system in an organization

expected to work collaboratively in a more strategic style (Future Think, LLC). These organizations have also devised a Learning Management System (LMS) to control and monitor their learning activities. A LMS is more like a knowledge platform; it has an infrastructure, database of courses of strategic importance, a centralized monitoring system and LMS administration comprising of officials (Watson and Watson, 2007) The LMS is aligned and configured according to the business policies and strategies and integrates itself with other corporate functions at multiple levels of hierarchy. In other words, the LMS aims at managing individual skills and competencies comprehensively and closely pursues the training needs of the individual and the organization. The main objective of any LMS is to direct training to a learning and knowledge platform through individual, organizational and social learning where it can be integrated with the business strategy of the organization leading to strategic benefits including profitability (Fig. 1).

Thus, the most common agenda of a LMS is to prepare a strategically focussed manpower to ensure organizational profitability. In a field study, Wentworth discovers that organizations which fail to monitor their learning management practices have serious issues with organizational growth, employee productivity and organizational profitability. An effective solution, according to him is identifying and providing training to the talented individuals to ensure better financial results for the organization. Truly speaking, this has never been an HR challenge but in changed circumstances it has now become a business priority of the L&D system. Another survey at MIT apprehends a shortage of leadership talent and knowledge workers in organization inspite of enormous spending on employee training. This may

prove, according to the survey, detrimental to the success of any L&D programs that are designed and developed as per the organizational strategic priorities. The survey also observes that L&D has brought the training function of the organization closer to the business strategy and is seen aligned with it.

When such an alignment between training and the business strategy seems to exist, training does not aim at only imparting knowledge and skills but also making individuals understand business strategies, support systems and leadership styles. As a result, employees can develop skills and capabilities that are specific to understand business problems and business strategies including developing such competencies like goal-setting, personal decision making, business analytical skills, stress management, leadership and team building time management and emotional intelligence-all of these are essential determinants for understanding the business strategy and also which can consequently have a positive impact on organizational profitability.

The function of training thus now seems to be encompassing a higher agenda of learning by which business goals, strategies, objectives and targets should be known to individual employees who should now feel more empowered and committed while participating as a team to accomplish company's strategic goals. If employees are offered a "learning" environment, it will unleash their potential and make them more productive to even help organizations achieve their strategic objectives, mainly profitability. This premise has been strongly supported by Gorman who declares in his global survey of 100 companies that training and development programs must support organizations on their "defined strategic path". The findings of this survey further strengthen another objective of this research paper which proposes

to study how training can be aligned with business strategy; what strategic blueprint can be devised to help employees to find innovative solutions and formulate new strategies and meet business needs.

## RESULTS AND DISCUSSION

**The strategic blue print:** There are several studies that have issued guidelines for the application of such strategic innovations in organizations. Ben-Hur and Gray for instance, offer a L&D plan to align learning with business strategy. They suggest a four-step approach: first is 'Mapping the CEO Agenda' which concerns involvement of the top management into the learning mission and include L&D into their agenda as well as priorities; second, 'Aligning Learning and Development Resource's achieved by conducting a Learning inventory or preparing a learning portfolio, in relation to the company's development infrastructure, business context and learning missions; third, 'Preparing a Learning Agenda' which shall articulate unequivocally the strategic initiatives to be taken in the direction of corporate learning. that is, to bring learning in line with business priorities; finally 'Activating the learning Agenda' to mean creating the right supporting structure and communication channels with the other business units like HR, Finance, Marketing, Operations etc in order to facilitate implementation of the learning portfolio.

Beh-Hur and Gray also quote an initiative taken by the European Foundation for Management Development (EFMD), Belgium which had introduced a system of accrediting business organizations on grounds of their alignment of learning with the business strategy. It set up a few criteria for assessing and accrediting each of the corporate functions that aligns itself with the learning activity. Overall, it would function as any accreditation unit in a university or an educational institution to evaluate the standards of teaching and learning.

Similarly Jaquez in his powerful blog article, stresses upon first to understanding the business then to define its priorities and develop a strategic plan of learning and finally align top management and leadership to it. A clear understanding of the organization's mission, goals, strategies and objectives, according to Jaquez, helps in determining how to align employee's talent with these objectives. Such an understanding provides a clear view of all the organizational goals and what talent would be required to achieve those goals what methodology can be used to develop that talent if there are gaps between the current talent and that which is needed to achieve those goals. A similar study was carried out (Clarke and Higgs,

2014), that describe various methodologies to configure a L&D plan according to the business goals and objectives.

Smith in another recent study addresses this core question of application of strategic innovation. She identifies three key activities that require to understand why the learning function is critical to creating value for the business: first, to creating a well defined, vivid and specific value proposition to explain why the learning function exists within the company and how this value proposition aligns with the business strategy; second, to design an annual calendar comprising the learning plan duly sponsored by the top management and leadership; finally, to identify and facilitate the accomplishment of such specific projects that add value to business and also brings in feeling of ownership among the employees. Truly speaking, in the current business scenario, a systematic use of such activities strongly advocates the "business case" for learning and ultimately would result in strong alignment between learning and the business.

Another study, (HCM) is a kind of strategic manual that blueprints how to achieve learning that lasts long and helps organizations to reach performance levels. This study was carried out in joint collaboration of SABA, a LMS company offering globally learning management tools and Human Capital Media (HCM) Advisory Group. The study earnestly rejects that the learning function should be perceived as a cost center and be confined to training and employee development only; instead learning should be directly aligned with business needs and that it should be perceived as a strategic enabler for the business. To prove their point, the study identifies a few key trends that stand out as evidence of this phenomenon viz. the Chief Learning Officer (CLO) in organizations must have a track record of learning and therefore to be chosen from amongst line managers with interdisciplinary background; CLO must report to the CEO which requires restructuring L&D strategy; L&D strategy must focus on leadership, line business units and customer service more than other functions and last but not the least, training must be delivered beyond employees current needs, for him to understand also the issues of strategic importance.

**Strategic enablers:** For an organizational to develop a learning culture, strategic enablers are required for creating a conducive environment of learning. Strategic enablers can be the elements that facilitate not only an alignment of learning with the business strategies but also ensure the desired impact of learning as per goals and objectives of the organization. In other words, a learning organization is incomplete in its mission of creating a learning culture unless it designs and develops such

strategic enablers that act as predictors of such an alignment. Here are a few strategic enablers that should be developed in every learning organization:

**Top management support:** The senior management and leadership of an organization have a greater access to business strategies and therefore they must support the L&D mechanism. If required they should also instruct to adapt or modify the L&D in order to conform to the business strategy. Otherwise, there is no other way for the Training and L&D professionals to ensure that the L&D that they are delivering is in alignment with the business strategy.

**Alignment methodologies:** Whether evaluation of the employee engagement practices or the training effectiveness or whether a close integration of the LMS with the organizational standard operational or devising data archives, it is important for an organization to develop such alignment methodologies in their L&D through which the company's strategies could be practised. A few organizations organize activities like satisfaction surveys and introduce incentive schemes like ESOP etc in order to bring employee development closer to the business strategies and the organizational expectations and to determine the level of employee involvement and integration in their work place and reward them for it.

**Structured talent management plan (or employee growth plans):** Organizations must enact such plans that bring their talented employees in alignment with business strategies which means to design a structured talent strategy that encompasses not only recruitment, organizational learning, performance management but also leadership development and succession planning. In short, a systematic, structured talent management plan will support the employee's growth and the in-built recognition and promotion patterns shall motivate them to deliver with their greatest potential and enhance business revenues.

**Changing perception:** Finally, there is a need to redefine learning as it is perceived in many organizations; no more a cost center but a strategic enabler. Learning must extend its peripheral dimensions and should be stretched even to customers, vendors and partner channels as they are also stake holders and contributors to the business success.

## CONCLUSION

Sirianni and Frey (2001) conducted a leadership development program for senior level executives

belonging to different fields of operations. The training involved modules essential for strategic leadership covering subjects like managing conflict, motivating employees, retention strategies, prioritization of issues and profitability. The study reveals that many of the participants lack awareness about these strategic subjects. The feedback and the findings at the end of the training show a huge improvement in six out of seven strategic components that were taught during the training. This is a clear evidence of the role training can play in enhancing strategic skills and if recognized vertically in the organization, it can create a learning environment with whole-hearted involvement of the top management (Mabey, 2011).

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