ORGANIZATIONAL REDESIGN FOR THE TRAINING AND

DEVELOPMENT DEPARTMENT OF SCHREIBER FOODS, INC.

by

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ABSTRACT

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Organizational Redesign for the Training and Development Department of Schreiber

Foods, Inc.

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The primary purpose of this field study was to research the various approaches of

a proficient training and development restructure for the purpose of redesigning the

training and development department at Schreiber Foods, Inc. The restructure provides a

strategic approach in designing a knowledge system that will build customer and

shareholder value. This allows the department to better meet the needs of the

organization.

This research paper is organized into five chapters. Chapter one begins with the

background information and purpose of the study. A comprehensive review of the

literature was conducted and will be shared in the second chapter. The research methods

and procedures used are described in chapter three. Chapter four sums up the analysis of

the findings. Finally, the last chapter concludes with a summarization, conclusion and

recommendations of chapters one through four.

Table of Contents

List of Tables

Chapter I

Introduction

Background Information

Schreiber Foods, Inc. (SFI) is the world's largest privately held cheese company

that services retail and foodservice customers. The organization is an Employee Stock

Ownership Plan (ESOP), which means it is owned by the employees (SFI employees are

known as partners). SFI has 4,100 partners and over $2 billion in sales.

SFI operates fourteen production facilities in the United States and also has

production facilities in Germany, Mexico, and Brazil. The company's home office is

located in Green Bay Wisconsin with sales offices located throughout the United States.

SFI strives to meet the requirements of each individual customer, as it is

understood that no single line of products is right for everyone.   The organization strives

to meet the needs of each customer.

The mission of the company is to supply customers with defect-free products and

services delivered on time, at a competitive price, in order to achieve customer delight.

SFI operates under a Total Quality Commitment philosophy and thrives on

continuous improvement. This philosophy has allowed the company to "do more with

less," drive waste out of the system, and continue to grow in volume and profitability.

Partnerships are based on mutual trust, mutual respect and mutual benefit.

The culture at SFI is one that promotes continuous learning. In order to sustain

competitive advantage, the company inspires lifelong learning and promotes exceptional

performance. The company believes that it is important to enhance partners' skills and behaviors in order for them to grow in their current position and to prepare for their next opportunity within the organization.

It is presumed that the responsibility for career development is with the partner. The partner is to take charge of his or her career and manage his or her own development with support from leaders. SFI believes that the organization is demonstrating that they value a partner by assisting the individual to develop his or her own career.

It is the organization's expectation that leaders and partners will create a partnership to assist the individual partner in career development. The organization provides resources to assist in executing career development plans. One way is to assist partners in self-assessment of their skills and advise them on the range of new skills, knowledge and competencies that are needed to be successful. Leaders are encouraged to coach and cultivate partners.

Statement of Problem

For an organization to remain successful, it must effectively drive knowledge management. Restructuring the SFI training and development department to be more proactive, centralized and strategic in nature will assist SFI in continuing to be competitive in the global marketplace.

SFI currently offers a smorgasbord of training programs to a wide array of partners. In an effort to continuously improve, it is necessary to take a strategic approach in designing a knowledge system that will build customer and shareholder value. There

is a need to create a knowledge management infrastructure that transitions from a traditional training department to one with more comprehensive learning solutions that positively affects the bottom line.

Purpose of Study

The primary purpose of this field study is to redesign SFI's training and development department. To remain competitive, there is a need for a market driven educational system that closely links learning programs to the business goals, priorities and strategic direction of SFI, while being consistent with the partner's personal goals.

One of SFI's primary goals is to hire, develop, and retain the best partners. The organization needs to improve upon this goal by developing partners with the purpose of improving organizational performance and effectiveness. In redesigning the training and development department, one of the benefits to SFI is the development of skills and leadership abilities, which will allow partners to continuously improve on company results.

Research Objective

The objective of this paper is to research the restructuring of a training and development department in order to bring efficiency to the process of redesigning and developing a more effective learning system at SFI. This will allow the department to better meet the needs of the organization.

The focus of the redesign should be on developing the partner's knowledge, skills and abilities that link to the needs of the organization. It is important that training have a positive impact on the achievement of SFI goals, priorities and business strategies.

It is critical for the organization's long-term success that high performing partners are retained. Cost of turnover is high. The job market is competitive and the labor pool is shrinking. The restructuring provides an opportunity for the human resource training and development department is to identify programs that have a positive impact on the bottom line, as well as, to develop and retain the best partners.

Limitations of Study

The limitations of this research study are:

1. The study is limited to the population of SFI and may not be applicable for implementation in other companies.

2. The concepts and tools researched are limited for the application and implementation by a one-person training and development department.

Definition of Terms

Corporate University is a strategic umbrella for developing and educating employees, customers, and suppliers in order to meet an organization's business strategies. Meister (1998)

ESOP is an acronym for Employer Stock Ownership Plan.

Mission Statement is a statement that defines a company's business and proposes a future goal. Bartkus, B., Glassman, M., & McAfee, R.B. (2000).

Needs Assessment is a series of activities conducted to identify problems or other issues in the workplace and to determine whether training is an appropriate response. McArdle (1990)

Redesign is a new design or to design again. Barnhart (1996)

Restructure is to structure anew; rearrange; reorganize. Barnhart (1996)

SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats.

Vision Statement is a written statement that provides a clear view of where an organization wants to go. Younger (1999)

Outline of Subsequent Chapters

This research paper is organized into five chapters. A comprehensive review of the literature was conducted and will be shared in the second chapter. The research methods and procedures used are described in chapter three. Chapter four sums up the analysis of the findings. Finally, the last chapter concludes with a summarization, conclusions and recommendations of chapters one through four.

Chapter II

Review of Literature

<u>Introduction</u>

The literature review confirms that the field of training and development is traditionally seen as a training function that offers little or no impact to organizations. Fortunately, the literature review also provides approaches to managing an organization's learning that more closely links learning programs to real business goals and strategies. Successful companies believe the key to their success and competitive advantage in the marketplace is updating employee's knowledge and skills to improve performance.

According to Gilley (1998), the training and development area has evolved into a sophisticated and critical organizational weapon. Unfortunately, in many organizations, the training and development department is still viewed as a training function with little impact on the strategic focus of the organization.

<u>General Statement of Research</u>

The literature review provides pertinent information and validity to the research on approaches to restructuring a training and development department in order to bring efficiency to the process of redesigning and developing a more effective learning system. The research also addresses methods to increase the efficiency of the department by being more proactive, centralized, and strategic in nature, to better meet the needs of an organization.

Company Vision

In order for the training and development department to truly understand the strategic focus of an organization, there needs to be a thorough understanding of the company's vision and mission. A thorough understanding consists of what the company is trying to achieve and how the training and development department can help the company to succeed.

A vision provides direction for the company. It is usually a statement that lists what the company hopes to accomplish in the future. In some organizations, a vision is seen as attainable and in others it is something the company works toward but does not necessarily achieve.

According to Younger (1999), a vision portrays the organization in terms of corporate image, value, employee satisfaction, markets and product and services as the way the company would like it to be. Kouzes & Posner (1995) believe visions are about possibilities, desired futures, ideals, and standards of excellence.

A vision should focus on the end-state, be exciting, inspiring, flexible and easily understood by employees in the organization. Younger (1999) provides insight to a vision statement and suggests that it should be brief, verifiable, focused, understandable to all as well as inspirational.

Typically, a company founder, CEO or key leaders within the organization develop the company vision. These top executives are the ones responsible for assessing the "big picture" of the ideal organization five to ten years down the road.

Company Mission

The purpose of the mission statement is to link the organization's vision to its goals and objectives. Like a vision statement, the mission statement should be easy to understand by employees. Employees need to understand what their purpose is and why they are part of the organization so they can support the mission.

Hager (1996) states that a mission statement answers the question; "Why are we in business?" Hager believes a mission statement should be concise, flexible enough to withstand the passage of time and differentiate the organization from its competition. According to Hammer (1996), a mission of a business is mainly to create value for its customers.

Both the vision and mission need to be communicated to all employees to enlist their support in helping to achieve the corporation's business goals.

SWOT Analysis

Another important step in an organizational redesign is the SWOT analysis. SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. The SWOT analysis examines the internal strengths and weaknesses (both qualitative and quantitative) of a business and the external opportunities and threats that the organization faces. The SWOT analysis is an effective method for identifying these four stages. Hackbarth & Kettinger (2000) stress that by using the SWOT analysis companies can quickly react to changes in their own environment.

Trying to address every single issue that a company faces can be time consuming. To avoid this dilemma and be more efficient, it is more effective to limit the critical issues to a few that have the most impact on the business.

It is best to begin with examining the external competitive environment that consists of the opportunities and threats. Opportunities are positive aspects internal to a company that your business could profitably exploit. Examples are new products, new markets, and new technology and market trends. Threats are potential problems that a company may or may not face. In these cases, preventive measures should be taken. Examples are losing customers, economical situations, or a competitor developing a higher quality product at a lower cost.

Next, are the phases of strengths and weaknesses. These are analyzed internally within the organization's departments and divisions. Strengths are those competitive advantages that a company has. Some examples of strengths are the sound financial conditions of a company, the skills and abilities of employees and the culture of the organization. Companies build their competitive advantage on their strengths.

Weaknesses usually are the areas in which a company is falling behind the competition. These are the areas that the company may need to improve. For example, it could be lack of teamwork or ineffective leaders.

The purpose of the SWOT analysis is to identify the key issues in each of the four phases and to facilitate a strategic approach. The strategy should include specific steps that are to be taken to help meet the company's objectives.

Once there is a good understanding of the business issues and needs based upon the assessment of the organization's vision, mission and SWOT analysis, the training and development department should formulate its own vision and mission.

Training and Development Department Vision

As stated earlier, a vision provides direction. It is usually a statement that lists what the department hopes to accomplish in the future. Like an organizational vision, the training and development department's vision should be brief, verifiable and focused. The vision needs to be shared so that everyone understands it and works toward it.

According to Craig (1996), a vision crystallizes where the training and development's department's effort is headed and should promote support, enthusiasm, and ownership.

Training and Development Department Mission

The training and development vision and mission should be aligned with the organization's vision and mission. This will prevent the training and development department from being pulled in different directions and will help keep the department focused on the needs and priorities of the organization.

Noonan (1994) points out that a department mission statement should identify who the department is and why the department exists. Noonen adds that the mission statement should include what it does, why it does it, and for whom it does it.

According to Gilley (1998) a mission statement should include each of the following five areas:

1.   Name of group

2.   Role to serve in the organization

3.   Type of population served

4.   Type of intervention to be employed by HRD programs

5.   Type of outcomes desired

From the department's mission, a plan needs to be developed that describes what will be accomplished over the next year. McCoy (1993) suggests that training and development departments that have a mission and a plan that are tied to the organization's goals will be much more likely to have an impact on the business than a training and development department that only responds to requests for development.

<u>Redesign of Training and Development Department</u>

Once the training and development's department mission and vision are developed and aligned with the organization's mission and vision, it is time to determine the best way to redesign the training and development department to effectively focus on improving the links between training and business objectives.

<u>Corporate University</u>

Assuming an organization is clear about its business goals, training is likely to be effective if there is a clear and shared vision that links training to business goals. One of the principles of training that Brinkerhoff & Gillis (1994) defines is to link training events and outcomes clearly and explicitly to business needs and strategic goals. The

relationship of intended training outcomes to business goals is critical to the success of the training and development department.

In researching the training and development department's redesign, the concept of a corporate university provides a framework to meet the needs of a department that strives to closely link learning programs to the business goals, priorities and strategic direction. A corporate university can create a knowledge management infrastructure that transitions from a traditional training department to a department with more comprehensive learning solutions.

What exactly is a corporate university? Meister (1998) defines it as a strategic umbrella for developing and educating employees, customers, and suppliers in order to meet an organization's business strategies. A corporate university is different from a training department. A training department has a tendency to be reactive and decentralized in that it serves a wide audience with a smorgasbord of open enrollment programs.

A corporate university tends to be the centralized umbrella for strategically relevant learning solutions. It focuses the training needs around the organizational goals and priorities while providing just in time training.

Meister illustrates it best as shown in figure one displayed on the top of the next page.

Figure 1-1

The Corporation In Transition

Old Model		21st Century Prototype
Hierarchy	**Organization**	Network of Partnerships & Alliances
Support Today's Way of Doing Business	**Mission**	Create Value-Added Change
Autocratic	**Leadership**	Inspirational
Domestic	**Markets**	Global
Cost	**Advantage**	Time
Tools to Support the Mind	**Technology**	Tools to Support Collaboration
Homogeneous	**Work Force**	Diverse
Separate Work Functions	**Work Process**	Cross-Functional Work Teams
Security	**Worker Expectations**	Personal Development
Job of Institutions of Higher Education	**Education & Training**	Corporate America Plus an Array of For-Profit Educational Firms

Source: From Meister, J.C. (1998). Corporate Universities Lessons in Building a World-Class Work Force. McGraw-Hill. pg. 3.

A number of corporate universities have been launched as a result of an organizational redesign of the training and development function. To begin developing a corporate university, top management must fully support the concept. It is best if top management is the actual driving force in launching the corporate university.

Governance Structure

Meister (1998) recommends a creation of a governance structure for the corporate university. The governance structure should consist of someone from top management and several leaders who come together to centralize the administration and measurement of the employee learning but leave the delivery of the learning programs to each individual region or division. Meister (1998) identifies four key roles for the governing system:

- Identifying and prioritizing current and future learning needs

- Linking training to these key business strategies

- Ensuring consistent design, development, delivery and measurement

- Providing direction for the development of a philosophy for learning

The governance structure should create a vision that clarifies the direction that the corporate university needs to follow.

Needs Assessment

Once a corporate university structure is established, it is necessary to have a process for assessing what the educational needs are. This process is called a needs assessment or needs analysis. Craig's (1996) interpretation of a needs assessment is a diagnostic and a decision-making tool that uses questionnaires, interviews, observations and other measure to identify educational needs.

McArdle (1990) defines the process of a needs assessment as a series of activities conducted to identify problems or other issues in the workplace and to determine whether

training is an appropriate response. McArdle (1990) goes on to say that a needs analysis specifically defines the gaps between current and desired organizational and individual performances.

A good needs analysis provides information that can focus on the areas of greatest need within the organization and offers training only to those employees who need to learn the new information.

Based on the needs assessment, training is only effective if it produces improved performance in the workplace and contributes to the achievement of the organization's mission and objectives.

Once the training needs of the organization are identified, the various types of training should be classified. Noonan (1994) suggests that all training can be classified into one of four types:

1.   Managerial/supervisory

2.   Technical (function-specific)

3.   Business initiative

4.   Cross-functional, professional skills

Managerial/supervisory training teaches basic human relations skills to people who were promoted on the basis of technical competence. For instance, examples of managerial/supervisory training are communication skills training and performance review training. Technical (function-specific) training is the technical skill specific to the function that is usually handled within the specific function. An example of technical

(function-specific) training for a sales division is product knowledge. Business initiative training focuses on major initiatives within the company and is usually rolled out to everyone. Quality training is an example of business initiative training. Finally, cross-functional, professional skills training is a broad range of business skills that cuts across all functional areas. Examples of cross-functional, professional skills training are writing skills, negotiation, and project management.

<u>Selecting Designers and Trainers</u>

Noonan (1994) recommends using vendors and consultants for the labor-intensive tactical tasks of design/develop and delivery of training. The reason for this is to use the experts who know how to perform the tasks well. The training and development manager's role is to manage the quality of these two tasks with the outside resources. This will allow the training and development manager more time to be proactive by focusing on strategic areas such as the needs assessment, planning and evaluation.

McCoy (1993) agrees that using credible consultants can be extremely helpful especially when there are time constraints and a lack of internal expertise within the organization. Further, it is important that managers need the appropriate skills to select the right consultant for the project.

Within a corporate university structure, Meister (1998) sees a shift from external expert facilitators to internal leaders. In many cases, middle and senior managers participate in a certification process to be become an instructor. Leaders benefit by gaining knowledge of the business and improving their facilitation skills.

Range of Learners to Be Served

Companies that are successful in creating learning organizations realize that everyone, from the supplier to the customer, must understand the organization's vision, mission, and quality goals. For example, suppliers are traditionally seen as adversaries rather then partners. Often many of an organization's quality problems are specification issues that originate with the supplier. By bringing suppliers into a company's training program, the supplier can understand the company's quality imperatives.

Meister (1998) states that an important aspect that distinguishes a corporate university from the traditional training department is including the entire value chain. This would include not only employees, but also suppliers at the beginning of the value chain and customers at the end.

Evaluation

According to Meister (1998), the primary objective of a corporate university is developing a continuous learning culture that ties to critical business strategies. Learning must address critical business needs that result in improved job performance. One way to determine this is to evaluate training.

Kirkpatrick (1998) discusses the four-level model of evaluation that is related to in-house classroom learning programs. The four-level model is the standard for evaluating the impact of training.

Kirkpatrick's first level is reaction. Oddly enough, this does not measure learning but customer satisfaction. It measures the participant's reaction to the training program. Did the participant like the training?

Learning is the second level and Kirkpatrick defines learning as attitudes that were changed, and knowledge and skills that were learned. Methods to evaluate learning are classroom performance and paper-and-pencil tests.

Kirkpatrick's third level is behavior that occurs back on the job. Five requirements must be met for change in behavior to occur:

1.   Desire to change

2.   Know-how of what to do and how to do it

3.   The right job climate

4.   Help in applying the classroom learning

5.   Rewards for changing behavior

There is a big difference between learning (knowing principles and techniques) and behavior (using the principles and techniques) on the job.

Results is the fourth level and most difficult of Kirkpatrick's evaluation levels. Not every program is a candidate for the level four evaluation. Phillips & Stone (1999) have identified three questions that will help determine if level four is possible:

1.   Can data be obtained that stakeholders would regard as evidence of business results?

2.   Is the program capable of creating an impact on measurable results?

3.   Can the effects of the program be isolated?

Kirkpatrick (1998) describes some measures of final results as increased sales, higher productivity, bigger profits, reduced costs, less employee turnover, and improved quality. The fourth level of evaluation is the most difficult, complicated, and expensive of the four, but more important and meaningful.

Evaluation helps to determine whether to continue offering a specific training program and how to improve future programs. Evaluation is not seen as an event but as a life-cycle process.

Brinkerhoff & Gillis (1994) also agree with measuring the training process for the purpose of continuous improvement. In order for training to achieve its maximum impact, measurement must occur to keep the process on track toward achieving business goals.

Communication…Communication…Communication

Meister (1998) stresses targeting senior managers in the first communication of the corporate university because the senior management is needed to begin advocating the corporate university in their interactions with employees. Senior managers need to become the ambassadors of learning.

Meister advocates positioning the corporate university as you would a corporate product. Develop a logo and communicate the message in a few words. Also develop bold communication vehicles that are beyond the traditional catalogue or e-mail announcement.

It is important that senior executives are told over and over in many different ways the benefits of the corporate university and how it is impacting performance on the job. It is impossible to over-communicate about the corporate university.

<u>Annual Training Budget</u>

McCoy (1993) stresses that understanding and tracking budgets is crucial to a training manager's success. McCoy suggests that some expenses that should be included in a training budget are salaries and benefits, consultants, training facilities, travel and entertainment, training, computer, materials and supplies and other operating expenses. A good training budget ensures that your department continues to be funded adequately in the future.

Another budget component is the issue of corporate allocation or chargebacks to business units. Traditionally, it was common practice for training expenses to be allocated to the corporate budget. However, as corporate universities become more prevalent, more of the training funding is coming from the training participant's budget. In other words, the training expense is charged back to the customer or business unit.

Meister (1998) points out that according to a survey of corporate universities' budgets, the trend is toward funding through chargebacks to business units. In the future, it is expected that 70 percent of Corporate University funding comes from chargebacks and 30 percent of funding from corporate allocation.

Summary

Training and development departments have evolved into areas that can greatly impact the strategic focus of organizations. For an organization to remain successful, it must effectively drive knowledge management. Restructuring training and development departments to be more proactive, centralized, and strategic in nature are necessary to enable the organization to be competitive in the global workplace.

There is a need to create a knowledge management infrastructure that transitions from a traditional training department to one with more comprehensive learning solutions that closely links learning programs to the business goals, priorities and strategic direction of organizations and affects the bottom line.

The redesign of the training and development department should begin with a clear understanding of the company vision and mission. Another effective tool used in an organizational redesign is to conduct a SWOT analysis to examine the strengths, weaknesses, opportunities and threats of an organization.

Once a thorough understanding of the company is determined, the training and development vision and mission should be developed and aligned with the organization's vision, mission and goals.

Next is deciding the best way to redesign the training and development department to meet the needs of the organization. It is suggested through this research that a corporate university concept be used to transition the traditional training

department to a department with more comprehensive learning solutions linked to the organization's business strategies.

A needs assessment should be conducted to identify the appropriate learning solutions which focuses on the greatest needs of the organization. From the needs assessment, selecting the right course designers and facilitators and determining the range of appropriate employees to be served need to be considered.

Communicate…communicate…communicate. It is impossible to communicate too much about the corporate university, its benefits and its impact on the organization. It is highly recommended to communicate over and over again in many different ways.

Evaluation is critical. Measuring and evaluating the redesign of the training and development department as well as training courses is essential to continuous improvement in the cost and performance effectiveness of learning. Kirkpatrick (1998) refers to the four-level approach to evaluation. If the purpose of training is to get better results by changing behavior, all four levels (reaction, learning, behavior, and results) apply.

Chapter III

Research Methods

<u>Introduction</u>

The topic for this research paper was selected after completing the Coordination of Training and Development course at UW-Stout. One of the topics of the class was the need for redesigning training and development departments. After learning the importance and the impact a redesign can have on a company, the topic was selected for this research paper.

The primary purpose of this field study was to research the various approaches of a proficient department restructure and to redesign the training and development department at SFI. In order for SFI to remain competitive, there is a need for a market driven educational system that closely links learning programs to the business goals, priorities and strategic direction of SFI while being consistent with the individual's personal goals.

Literature review was the methodology used in the process of conducting this research project. The significance of the literature review was to learn from other researchers the features of a well-developed redesign and to make a determination of what may be appropriate and usable within the culture of SFI The literature review helped the researcher gain knowledge, as well as stimulate new ideas. The researcher learned what had been done in the past and some of the major issues in the area. It pointed out areas in which researchers were in agreement and where disagreements

existed. The literature review helped to determine what other researchers have discovered and how this can benefit others.

The researcher began the search by reviewing the information learned in the Coordination of Training and Development class. A general outline was developed to assist in deciding the sources to examine. The outline also was helpful in organizing the sub-themes found in the literature. Each step of the outline was researched using books, journal articles, handbooks, and the Internet. The research was limited to sources no earlier than 1990. The key to this research review was a systematic and organized approach.

Research Design

The researcher used a descriptive study to complete this research project. This design allowed the following objectives to be attained:

1. Identify components of a well-founded training and development department redesign.

2. Recommend a redesign for SFI from a traditional training department to one with more comprehensive learning solutions that positively impacts the bottom line.

Identification of Need

SFI currently offers a smorgasbord of training programs to a wide array of partners. In an effort to continuously improve, it is necessary to take a strategic approach in designing a knowledge system that will build customer and shareholder value. The

focus of the redesign should be on developing the partner's knowledge, skills and abilities that link to the needs of the organization.

Redesign of Training and Development Department

The researcher used the literature review to learn about various approaches to redesigning a training and development department. Based upon the study, the researcher recommended a process for redesigning and developing a more effective learning system that will allow the department to better meet the needs of SFI.

Study Limitations

This study is limited of the population of SFI and may not be applicable for implementation in other companies.

A second limitation to this study is the concepts and tools researched are limited for the application and implementation by a one-person training and development department.

Chapter IV

Analysis of Findings

<u>Introduction</u>

The purpose of this study was to research approaches of a proficient training and development restructure for the purpose of redesigning the training and development department at SFI.

This chapter contains the findings that convey the result of the literature research in redesigning the training and development department.

The chapter is organized by the major components of the restructure that will allow for a strategic approach in redesigning a knowledge system that closely links learning programs to the business goals, priorities and strategic direction of Schreiber Foods, Inc. while being consistent with the individual's personal goals.

The following components are included; (1) Company Vision, (2) Company Mission, (3) SWOT Analysis, (4) Training and Development Department Vision, (5) Training and Development Department Mission, (6) Corporate University, (7) Governance Structure, (8) Needs Assessment, (9) Range of Learners to Be Served, (10) Selecting Designers and Trainers, (11) Evaluation, (12) Communication/Marketing, (13) Annual Training Budget, (14) Delivery Strategy, and (15) Conclusion.

The research suggested that the initial step in redesigning the training and development department of SFI was to analyze the mission and strategic direction of the organization. The intent of this step was to lay the foundation for a vision, mission and

strategy of the training and development department that is in line with the mission and strategic direction of SFI.

Company Vision

The organization's vision at SFI is referred to as the strategic direction. SFI strategic direction was reviewed to gain a better understanding of the direction of the company. The strategic direction is very comprehensive and encompasses the corporate image, beliefs, value, partner satisfaction, and products. In essence, it states that SFI customers are the most critical assets and that SFI will invest in its partners, technology and actively pursue business opportunities. SFI will develop custom designed processes and products through the quality process within a team environment.

Company Mission

The mission statement of SFI states, "Supply our customers with defect-free products and services delivered on time at a competitive price to achieve superior customer satisfaction." In order to have a thorough understanding of the purpose of SFI the mission statement was examined.

SWOT Analysis

Keeping the mission and strategic direction in mind, a "SWOT" analysis was conducted to determine the strengths, weaknesses, opportunities, and threats to the organization. To avoid trying to address every single issue, and be more efficient, the four phases of the SWOT analysis were limited to the few that have the most impact on the business.

Focusing first on external factors, the opportunities and threats to SFI were examined. The top three opportunities, in order of priority, were determined. The first is to develop new products with both established customers and with new customers. The emphasis on new products would most likely be to venture into products related to cheese, such as was recently done with a new cream cheese product. Secondly, there is an opportunity to reach into new markets or, in other words, an opportunity to expand the current customer base. The final opportunity is the potential of an additional distribution center.

Continuing in the context of external factors, the threats to SFI were considered. It was determined that the top threat is environmental factors, especially weather conditions. A variation in weather has a direct impact on the milk supply. Adverse weather can also cause poor feed quality for the cows. The less the cows eat, the less milk the cows give. The next most significant threat was energy issues. With the concern of rolling blackouts in California and interruptible service, there is less certainty that processors will be able to operate plants without interruption. This may have strong implications for the dairy industry. The third threat identified was cow disease. An example is the fear of foot and mouth disease. Fewer cows mean less milk that translates into lower cheese production.

Switching the focus to internal factors, the strengths and weaknesses of SFI were examined. The number one strength is that SFI is a financially sound organization. This allows for acquisitions and the potential for continued growth. Secondly, SFI repeatedly

has a very high level of customer satisfaction. This shows both a dedicated, competent workforce, as well as a potential for continued growth. The final strength recognized is the environment of SFI. There is a very positive work/life culture with salaried partners, which in turn contributes to higher employee retention rates and motivated employees.

Weaknesses of SFI were the other internal factors investigated. The weaknesses of the organization are not listed in this research paper due to the sensitivity and confidentiality of this topic.

The four phases of the SWOT analysis were then incorporated into the vision, mission, strategies and redesign of the training and development department.

Training and Development Department Vision

Based upon the mission, vision and strategies of SFI, a training and development mission and vision was developed. The training and development vision was aligned with the organization's vision and mission. The vision statement states where the training and development department is heading. The statement developed is to "Provide exceptional partner service that allows a culture of continuous learning and performance improvement."

Training and Development Department Mission

The department mission statement should state who the department is, what it does, why it does it and for whom it does it. The mission statement developed is "Partner with functional areas by providing just-in-time education, training, consultation, and tools to dramatically improve the knowledge, skills and performance of our partners."

Redesign of the Training and Development Department

Once the training department's mission and vision are developed and aligned with the organization's mission and vision, the redesign of the department is to be determined. The purpose of the redesign is to effectively focus on improving the links between training and business objectives.

As an outgrowth of the organizational redesign of the training and development department, the theory of a corporate university will be launched. In an effort to make the training and education department at SFI better aligned with the mission and strategic direction of the organization and to make it more customer focused, the concept of "SFI University" was instituted.

SFI currently offers a smorgasbord of training programs to a wide array of partners. Each department of the company offers its own training. Because each department is in its own specialized silo, it fails to coordinate or communicate its training to other departments within the company. The idea of SFI University is to centralize training by taking the "best of the best" from each department and making the training programs uniform across the organization. This will eliminate any duplication of training.

Corporate University

As stated in the research, SFI will structure a university as a framework for developing and educating partners in order to meet the strategic and tactical business goals of SFI. The goal of SFI University is to increase the proficiency of SFI partners to

consistently meet and exceed customer requirements, while providing opportunity for career path development resulting in increased value to SFI through enhanced global partner performance.

The first step was to receive the full support and cooperation of top management for the corporate university theory. A presentation was delivered to the president's staff explaining the corporate university concept and the benefits to SFI. The concept was received with much enthusiasm and many vice presidents were eager to jump on the bandwagon. Top management would now be the driving force in launching the corporate university. As stated in the literature review, it is critical that top management drives the corporate university concept in order for the corporate university to be successful.

The research up to this point has been applied to SFI. The analysis to follow has not been implemented due to the time constraints of this paper. For the remainder of this chapter, a recommended redesign action plan will be outlined based upon the literature review in chapter II.

Governance Structure

A governance structure is to be developed consisting of a leader from each division of the organization. It is recommended that a member of the president's staff champion the efforts of the board. The training and development manager will lead the governance structure. The governance structure will be called "SFI Board of Education."

The roles of the board will be:

- Identifying and prioritizing current and future learning needs

- Linking training to these key business strategies

- Ensuring consistent design, development, delivery and measurement

- Providing direction for the development of a philosophy for learning

The first step for the board will be to develop a mission that establishes the board's purpose and a vision that clarifies the direction in which the SFI University needs to move.

A preliminary Board of Education Mission has been developed. The mission will be presented to the board for their thoughts and review. The tentative mission developed is to "Provide a strategic umbrella for developing and educating partners, customers, and suppliers in order to meet SFI business strategies and priorities."

A preliminary Board of Education Vision has also been developed. The vision is to be presented to the board for their comments and feedback. The vision developed is to "Champion and accelerate learning for the entire value chain."

A draft of the primary objectives for the SFI University has been developed and will be presented to the board. The primary objectives suggested are to:

- Increase proficiency of partners to consistently meet and exceed requirements

- Provide opportunity for career path development

- Increase value to SFI through enhanced partners' performance.

Needs Assessment

A process is needed for assessing what the educational needs are. One process that is recommended is a needs assessment or needs analysis. Many tools can be used to determined the needs assessment . Examples are questionnaires, interviews, and observations. The purpose of the needs assessment is to define the gaps between current and desired organizational and individual performances.

It is critical that a needs assessment produces improved performance and contributes to the achievement of the organization's mission and objectives. The purpose is to focus on the areas of greatest need within the organization.

One recommendation for SFI to begin a needs assessment is to have the training and development manager sit down and interview top management from each of the organization's divisions. The training and development manager should develop questions in advance of the interview as a starting point for the interview.

The questions should focus on the priorities of the division and the desired and current performances of the individuals within the division. Once the performance gaps are identified, it can be determined the training that needs to be developed. Once the various training classes are identified, the SFI University structure needs to be determined.

It is recommended that the structure of SFI University be based on colleges and tracts. Each division of SFI will be a separate college within the university, i.e., Sales, Finance, International, Human Resources, Information Systems and Operations. For the

partners within their area, each college will determine what is "required" and what is "elective" training in four tracts the university will be divided into. The tracts are the Managerial/Supervisory tract, the Technical tract, the Business Initiatives tract, and the Cross-Functional/Professional tract. Some of the programs under each tract are listed below.

Managerial/Supervisory Tract

- Interaction Management

- Leadership Development

- Total Quality Culture Leadership

- Policies: Interpretation and Enforcement

- Advanced Communication

- Decision-Making

Technical Tract

- Divisional Software Packages

- Core Product Knowledge

- TAO (SFI e-mail)

- Selling With Insight

- 5 - Step Selling

Business Initiatives Tract

- Quality and the SFI Culture

- 7 - Step Problem Solving

- Team Training

- Employment Law

- Performance Assessment

- History of SFI

- Targeted Selection

Cross-Functional/Professional Tract

- Time Management

- Microsoft Office Programs

- Extraordinary Presentations

- Karrass Negotiation

- Planning/Goal Setting

- Category Management

- Communication

- Creative Thinking

The responsibility of the training and development department will be to coordinate the various functions of the SFI University. Some of the accountabilities of the training and development manager will be to:

- Implement or coordinate the needs analysis

- Develop training programs

- Investigate and identify external vendors and/or materials

- Coordinate program logistics

- Facilitate or arrange for facilitation of programs

- Evaluate programs

- Encourage team leaders to tie the skills learned by partners to improved performance during performance reviews

Range of Learners to Be Served

The Board of Education will need to determine the range of partners to be served within the SFI University. It is recommended at this time that the SFI University start with serving the salaried partners and some of our major customers. The ultimate goal is to serve everyone, from the supplier to the customer, so that all learners understand the organization's vision, mission and quality goals.

Selecting Designers and Trainers

With a one-person training and development department, it is best to use vendors and consultants for the tactical tasks of designing and developing most of the training that does not require an internal expertise. The external vendors and consultants should also arrange for the delivery of that training as well. SFI will require that the facilitators have strong facilitator skills and be very energetic. Many times the facilitator is not the same outside vendor or consultant who developed the training curriculum.

Leaders within SFI should design, develop, and deliver training that requires internal expertise. This will provide an opportunity for leaders to learn knowledge of the business and improve facilitation skills.

Evaluation

An evaluation of the SFI University will be conducted at six months and at one year after its implementation. It is recommended that the evaluation consist of a summary of findings from three sources in relation to each individual program. The first source will be the initial feedback from participants in the program as they complete the program. The second source will be a post-test from programs. The final source will be a survey to assess, based on observation, whether or not skills are being applied on the job. The survey will be given to team leaders one month after a team member completes the training program. The information from the six-month and one year evaluation will be provided to all SFI partners. As mentioned earlier in the section on delivery strategy, this can reinforce those who participated in the SFI University and attract the interest of those who have not.

Communication/Marketing

Since the support of top management is crucial to the success of the SFI University, the marketing effort will begin with the Vice-President of Human Resources sharing the information with the executive leadership team. The executive leadership team in turn will help to launch the marketing effort by initiating the communication about the SFI University throughout the organization. This will be done via an e-mail

from each senior divisional Vice-President to all of the partners within their functional area. The Training and Development Manager will also attend the quarterly managers meeting to share information and answer questions. The SFI University will be highlighted in SCOPE, the employee video newsletter. A description of the SFI University concept along with a schedule of programs available will appear on the SFI Intranet. The other part to the marketing effort will be a brochure for each of the colleges that can be used as an informational piece for current SFI partners and as a recruitment tool for future SFI partners.

The theme in all of the marketing efforts will be to emphasize the connection between the benefit to the organization and the benefit to the individual partner. The focus will be on personal and professional development being the key individual benefit. However, the benefit will also extend to customers, as well as SFI. A triangle with each of the sides being SFI, the partner, and the customer will be the symbol used to reinforce this concept of related benefits.

A corporate university is a "work in process." It will survive only with constant adaptation and change, so there is a need for continual updating.

Annual Training Budget

An annual training budget for the training and development department should be tracked. Typical expenses include salaries and benefits, consultant expenses, training facilities, travel and entertainment, course material and other operating expenses. The

annual budget for SFI is proprietary information and, therefore, is not disclosed in this paper.

The funding strategy planned is that any company required learning program should be charged to the training and development department. The company required learning programs are programs that all SFI partners should attend. An example would be employment law training.

Division specific programs will be charged to the individual divisions. An example of a division specific program is selling skills for the partners in the sales division.

Delivery Strategy

There needs to be a delivery strategy of implementing the training and development organizational redesign action plan. The action plan proposed entails four main steps.

The first step is to clearly show the connection of the department reorganization to the organization's purpose and mission. Highlighting the alignment between the SFI mission statement and the training and development department mission statement will achieve this. Both emphasize the need for customer satisfaction through superior products produced by a highly competent workforce. An example of this is the second bullet point of the SFI Strategic Direction which states, "We will invest in partners to provide opportunities for personal growth and share in our success with pay for performance."

The second step in the delivery strategy is to get visibility for the reorganization action plan with top management. The Vice-President of Human Resources will present the reorganization action plan to the executive leadership team. The team will then have the opportunity for questions, recommendations, and feedback. Based on the recommendations and feedback of the executive leadership team, the training and development department will make any necessary adjustments in the plan.

The reorganization action plan will then be marketed to the rest of SFI. Articulating the need for the redesign and linking it to three business musts of profit, customer delight, and improved organizational environment will be the theme of the marketing phase. The training and development department will present the plan at the quarterly managers meeting. Significance will be placed on how the reorganization will better meet the needs of not only the entire organization, but also how it will better meet the needs of individual departments. Managers will be invited to contact the training and development department for personal assistance in identifying and accomplishing their needs within the newly designed training and development department. Lastly, a company-wide notice will be distributed to all partners publicizing the fact of the reorganization. The emphasis in this communication will be directed towards how the reorganization affects partners at an individual level. Benefits to the partner will be the highlighted.

The fourth and final step in the delivery strategy is to evaluate the impact of the redesign and communicate the results to the organization. At six months and one year

after the implementation of the redesign, the effectiveness of the training and

development department will be assessed. The information will then be provided to SFI

partners. In doing this, the training and development department can reinforce those who

used the services of the redesigned department. The communication piece can also serve

as a marketing tool to attract the interest of those who have not used the services of the

training and development department.

Conclusion

The redesign of the training and development department that focuses on the SFI

University will better meet the needs of partners while helping SFI to align the growth of

its partners with the mission of the organization. Through this reorganization training

should have a positive impact on the achievement of SFI goals, priorities and business

strategies.

This strategic approach in designing a knowledge system will build customer and

shareholder value. The knowledge system will create an infrastructure that transitions

from a traditional training department to one with more comprehensive learning solutions

that positively impacts the bottom line.

Chapter V

Summary, Conclusion, and Recommendations

<u>Summary</u>

The primary purpose of this field study was to research the various approaches of a proficient training and development restructure for the purpose of redesigning the training and development department at SFI. The restructure will allow for a strategic approach in designing a knowledge system that closely links learning programs to the business goals, priorities and strategic direction of SFI.

A literature review was the methodology used in the process of conducting this research project. The significance of the literature review was to learn from other researchers the features of a well-developed redesign and to make a determination of what may be appropriate and usable within the culture of SFI.

<u>Conclusion</u>

The redesign of the training and development department should begin with an understanding of the company vision, mission, and SWOT analysis. The training and development department's vision and mission will be developed and aligned with the organization's vision, mission and goals.

A needs assessment will be conducted to identify the appropriate learning solutions which focuses on the greatest needs of the organization. From the needs assessment, determining the range of appropriate employees to be served needs to be considered, as well as, selecting the right course designers and facilitators.

It is necessary to communicate often in many different ways the training and development department's role in the organization and the structure used to educate employees.

Measuring and evaluating the redesign of the training and development department, as well as training courses on a regular basis is essential to continuous improvement in the cost and performance effectiveness of learning.

The redesign of the training and development department to focus on the SFI University will better meet the needs of partners while helping SFI to align the growth of its partners with the mission of the organization.

Recommendations

The research literature indicated that it is imperative that senior executives are communicated to several times and in many different ways regarding the benefits of both the training and development department redesign and the corporate university. In order for the redesign to be effective, it is recommended that upper management support the planning and development of the department redesign. Employees need to see that the redesign and corporate university concept is new and an important part of their corporate culture, and that it will be supported as such by upper management. An ongoing commitment to the program is essential as well.

Another recommendation is that all of the learning programs be designed and developed for specific SFI partners. In essence, there should not be a one size learning solution that will fit all SFI partners.

The questions that need to be asked are:

1.   Who must learn?

2.   What should they learn?

3.   How will they learn best?

4.   How will we know if they learn?

As learning is linked to the key business goals, it is important that the proper partners are participating in the appropriate training to further the organization's needs. The right learning strategy will be important in order for the transfer of learning to be effective. It is recommended that a valid evaluation process be conducted to determine if the transfer of learning is taking place as well as to evaluate and recommend improvement for the future.

As organizations change, so should the organizational structure. The structure that meets the needs today will not necessarily meet the needs of tomorrow. Additional literature reviews could be conducted to determine the best practices for the training and development structure as well as the best practices for the organization's knowledge management system. There will be a continuous need to update and redesign the training and development department to keep up with the ever-changing organizational needs of the future.

Secondly, a corporate university will grow and change within an organization as the organization changes. As corporate universities continue to evolve, additional studies

could be conducted to identify current corporate university best practices in order to more

effectively and efficiently meet the needs of organizations.

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