GLOBAL TRAINING AND DEVELOPMENT

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Abstract: *Nowadays there is almost no firm can avoid global competition. This kind of competition is different from regional or local/domestic competition. Nevertheless, the key success factor stays the same that is having the competitive advantage. Unfortunately, the traditional sources of competitive advantage are no longer powerful in global competition which means they will not be able to create the competitive advantage needed to win the competition. Hence, we need to develop a new source of competitive advantage beyond the traditional ones. The most potential candidate for a new source of competitive advantage is human resource. In order to be a powerful source of competitive advantage, human resource has to be capable, and being capable, human resource needs to be trained and developed.*

This article will try to describe the training and development practice under the global competition environment which includes the definition, objectives, effective management of such practice, alternative methods, and alternative approaches for designing the global training and development programs. In addition, it will describe the specific training and development practice for parent country national, third country national and home country national employees. At the end part of the article, there will be one global training and development practice's case study of a U.S.-based company.

Introduction

Almost all firms in the world are now facing global competition. There are three primary characteristics of global competition: uncertain, complicated and sharp. Whatever the market competition is, however, firms have to do their best to survive. The reason behind that is the amount of money they have already invested. They have to return that investment as quickly as possible. One key success factor to win global competition is having the competitive advantage. According to Pfeffer (1994: p. 6), traditionally, there are four sources of competitive advantage: product and process technologies which are protected by patents or other proprietary know-how, market protection from government, access to financial resources, and economies of scale. Nevertheless, those sources of competitive advantage are not as powerful as in the past. Product and process technologies are less powerful now because of the rapid technology innovation. So, there will be no companies like Xerox which could enjoy an exclusive technology for many years. Government protection is very limited since most of the countries in the world agree to pursue a freer world trade. Financial resources become more accessible as the information and technology grow rapidly which increase the capital mobility worldwide. Larger production volumes do not guarantee lower production costs anymore while the flexible manufacturing system makes small production volumes possible to generate low production costs. The only thing left beyond those traditional sources which can be generated as a source of competitiveness is human resources. How powerful human resources as a source of competitive advantage depends on the capability of the human resources themselves. The more capable, the more powerful. One way to increase the capability of human resources is by enrolling them in training and development programs.

Although frequently used in conjunction, training programs and development programs are different. According to Carrell, Elbert and Hatfield (1995: p. 400), training programs tend to focus on a smaller number of technical skills and concentrates on the short-run whereas development activities tend to focus on a broad range of skills and aimed at the long-run. As the scope of business of the company become global and so do training and development. The training and development in a global company (the global training and development) is different from the training and development in a domestic/local company (the domestic/local training and development) since the global training and development deals with people from various nationalities/countries and cultures, and is more concerned with the external, rapid-changing environment. That makes the global training and development not an easy thing to do. There are seven strategic purposes of global training and development: improving staffs' performance, updating staffs' skills, broadening staffs' horizon, preparing for assignment abroad, preparing for promotion and managerial succession, satisfying personal growth needs and solving certain company's problems.

Managing a Global Training and Development

As mentioned above, conducting training and development programs globally is not an easy task. How well such programs are managed will determine the effectiveness. What should the global companies do in order to manage the global training and development programs effectively? The American Society for Training and Development (ASTD) Task Force on Global Training Issues recommended the following actions (Odenwald, 1993):

1. Developing a global focus. It includes championing employee individuality and cross-cultural differences, adapting to changing markets, being proactive and flexible, and planning for the future.
2. Operating regionally. It includes obtaining input and investment from all organizational levels (local, regional, and subsidiary offices should be authorized to initiate training programs), studying how regional training centers and other large-scale experiments are designed and managed in other countries, aligning what the company is trying to achieve with the nature of its clients (training managers in a new country must understand both corporate values and cultural values), demonstrating a corporate willingness to embrace the idea of cooperation with local management, establishing a training advisory counsel at international sites with managers from the local area to help them break away from dependence on the headquarters (let them determine training and build their own training programs appropriate to that setting), emphasizing that the relationship between headquarters trainers and local site trainers must be a relationship of equals, and considering three factors when designing training for another country: the local culture's language, the local citizens' perspective on appropriate content, and how they view supervision, roles and responsibility.
3. Understanding local government regulations. It includes learning the specific laws and customs that regulate the company's business in that country and, more specifically, how these regulations affect training employees locally, and meeting government officials and discuss how you can work together within their customs (since most countries are eager for more education for their nationals, tap into this interest by opening up a dialogue on training; investigate how the training the company presents can meet the educational objectives for the country as well.)
4. Building training alliances. It includes strengthening multicultural team building, understanding that a training consultant can often become the company's global leader, helping employees make decisions with sensitivity to cultural issues, and when the company under the gun to quickly put a training program in place at an overseas site, using local academic resources for guidance, suggestion and insight, spending time with the end users of training to find out what they need and want, working with clients to define their goals for training, understanding the way the participant audience learns best, making the line manager a central member of the team and identifying local people who can present the training.
5. Determining costs. It includes realizing up front that training costs increase as you expand globally, and obtaining budget information from other global companies, international consulting firms and local managers who have experience in this area.

Alternative Global Training and Development Methods

The following are global training and development methods commonly used by global companies:

1. Job rotation which involves placing a staff on different jobs for periods of time ranging from a few hours to several weeks.
2. Job enlargement and enrichment. It means a staff is given additional job duties, autonomy, and responsibilities.
3. Job instruction training. Developed during the World War II, this method enables supervisors to train their subordinates quickly and effectively. Supervisors must follow a series of steps when training their subordinates.
4. Coach. As in sports, the coach assumes the role of helper and teacher. The coach answers questions, lets staffs participate in decision making, stimulates staffs' thinking, and helps when problems occur.
5. Mentoring. A mentor is an experienced manager who provides guidance to a junior manager or staff and facilitates his or her personal development. Mentoring can be formal or informal.
6. Committee assignments. Committees are formed to solve current problems, plan for the future, and discuss and act on issues critical to the company. Serving on a committee and participating in decision making enable a manager or a staff to strengthen a variety of skills.
7. Audio/video presentations. New concepts and ideas can be introduced in these convenient formats which can be bought off the shelf or produced internally.
8. Lecture. It is an oral, one-way transmission of information. Through lecture, uniform information can be delivered to a large group of people in a timely manner.
9. Tutorials. It is an oral, two-way transmission of information so both the trainer and trainee participate actively in the learning process.
10. Conference/discussion. This method permits a dialogue between the trainer and trainee, as well as among the trainees. Conference/discussion provides trainees with immediate feedback on their questions and ideas, and heightens motivation for the trainees.
11. Vestibule or simulation. This method is performed with the aid of an instructor who demonstrates on the

same kinds of machines and uses process the trainee will use on the job.
12. Programmed instruction. It allows trainees to learn the training information or skill in small segments and at their own pace. As technology grows rapidly, programmed instruction method becomes more sophisticated. Right now, this method is performed with the aid of computer software.
13. Case study. A case study is a written description of an organizational problem. This method requires each participant to identify and analyze specific problems, develop alternative courses of action, and recommend the best alternative. The individual outcomes are thereafter generally discussed in a group context.
14. Reading assignments. In this method, trainees are asked to study the suggested reading materials on relevant topics by means of self-tuition.
15. Role playing. During role playing, participants are asked to imagine themselves in situations presented by trainer and subsequently to act out simulated role. Usually there are no scripts, and participants have limited data on which to base their roles. The primary goals of this method are to analyze interpersonal problems and develop human-relations skills.
16. Management games. This method is designed to replicate conditions faced by real companies and usually involve competing teams that both make decisions concerning planning, production, finance, and control of a hypothetical company. More complex games involve the use of a computer.
17. T-group. It expects participants to unfreeze from their habitual roles and adapt to a novel situation by developing new and often unexpected roles. These behavior changes are subsequently studied by other participants of the group. Through T-group participants become more aware of their feelings and learn how one person's behavior affects the feelings, attitudes, and behaviors of others.
18. Wilderness training. Wilderness training is a generic term to describe any one of a variety of management and executive development programs that take place in outdoor settings and include mountaineering, backpacking, ocean sailing, white-water rafting, canoeing, cross-country skiing, and cycling.

There is no single training and development method that can work well in all situations and all times. Sometimes, even two or more methods have to be combined for one specific situation and time. In choosing which method or combination methods is/are appropriate, such factors have to be carefully considered as expected results, trainees capabilities and culture, costs, trainers capabilities and availability, and facilities and time availability.

Training and Development for PCNs, TCNs, and HCNs

Nowadays, so many global companies are concerned with and investing much resources in the training and development for parent country national employees (PCNs). The rationale argument for such concern rests primarily on the cost of PCNs failure which is quite material. According to Dowling, Schuler, and Welch (1994: p. 126), most training and development for PCNs assignments center around predeparture programs and seem primarily concerned with developing cultural awareness. This cultural preparation is necessary because functional ability alone does not determine success. Cultural training also enables individuals to adjust more rapidly to the new culture and be more effective in their new roles.

Tung divided the training and development programs for PCNs into the following categories (Dowling, Schuler and Welch, 1994: p. 126-127; Tung, 1988: p. 12-13):
1. Area studies programs that include environmental briefing and cultural orientation.
2. Culture assimilators.
3. Language training.
4. Sensitivity training.
5. Field experiences that include technical training and management training.

Training and development of PCNs ideally begins as soon as selection ends so there will be enough time for the company to transfer important information to PCNs and they themselves will be more well-prepared. An effective approach to PCNs training and development includes the following basic aspects (Dowling, Schuler and Welch, 1994: p. 128):
1. Training and development of PCNs before, during, and after foreign assignment.
2. Orientation and training of PCNs' families before, during, and after foreign assignment.
3. Training and development of the headquarters staff responsible for the planning, organization, and control of overseas operations.

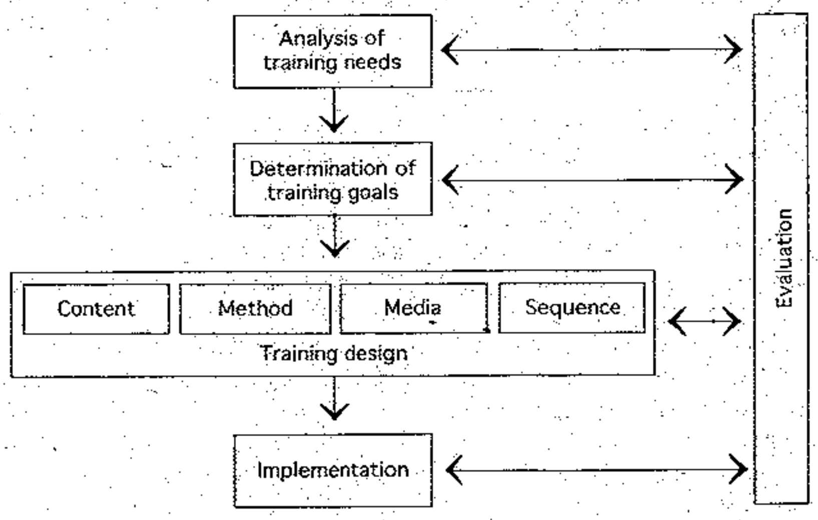
Global companies need to pay more attention to training and development for third country national employees (TCNs) and home country national employees (HCNs) as well. They realize that TCNs and HCNs contributions to the companies cannot be easily disregarded. In addition, global companies enthusiast to establish truly global operations which mean having a cadre of not only PCNs but also TCNs and HCNs who are ready to go anywhere in the world. Different from training and development for PCNs, training and development for TCNs and HCNs involves development of managerial skills and introduction to the company's culture (Dowling, Schuler and Welch, 1994: p. 138). Technical training for lower-level HCNs is generally provided by the subsidiary rather than the headquarters. However, some multinational companies (MNCs) are now beginning to use satellite technology to deliver custom-designed training and development programs from the headquarters. Managerial training for TCNs and HCNs mostly is done at the headquarters. It means that TCNs and HCNs are brought to the home country, and then spend their time by working with their PCNs counterparts, and attending lectures and seminars. By working together, TCNs and HCNs will learn and try to understand the PCNs' culture, and vice versa. It is very useful in facilitating cultural adjustment for future assignments. Sometimes, TCNs and HCNs have also business field trips to other companies and to other countries. These field trips are important to broaden their horizons.

Alternative Approaches for Designing Global Training and Development Programs

So far, there are two alternative approaches for designing global training and development. The first approach is systems approach. This approach is the classical approach and consists of five major phases (Carrell, Elbert and Hatfield, 1995; Baumgarten, 1995) (see also Figure 1):

1. Needs assessment. The aim of needs assessment is to identify and describe the discrepancies between the existing performance levels and the desired levels. It is important to know that not discrepancies in performance are the result of insufficiently developed competencies which can therefore be resolved through training. The assessment may be conducted at three levels: organizational analysis, operations/task analysis, and person analysis. The organizational analysis studies the organizational performance criteria/variables which might result in potential training needs. The purpose of operations/task analysis is to determine how a job should be performed. Data and information are collected regarding the competencies needed for effectively carrying out the various tasks so training personnel enables to create programs that focus on the right way to perform a job. The person analysis focuses on the individual employee and is used to identify employees for training. Specifically, the two purposes of this analysis are to determine who currently needs training and development, and what skills, knowledge, abilities, or attitudes need to be acquired or strengthened.
2. Training and development goals and objectives determination. The next phase is the translation of training and development needs into training and development goals and objectives. A goal is a fairly statement of intent, whereas an objective is a very specific statement of what trainees should be able to do at the end of the learning session, under which conditions, and to which standard. An objective indicates the kinds and levels of skills, knowledge, abilities, and attitudes the participant should possess after the program has been completed.
3. Training and development design. At this phase, the company is ready to seek or design a training and development program. The company should be careful to select or design a training and development program that will yield verifiable results; otherwise, the large financial investment in training and development will not pay off. There are four general things that have to be decided in training and development design: content, method, media, and sequence.
4. Implementation. After the program have already been designed, it has to be implemented. The implementation of the program brings trainees, trainers, and facilities together. The training personnel must carefully monitor the implementation and has to be ready to make immediate adjustments if needed.
5. Evaluation. The purpose of this last phase is to determine whether trainees actually learned new skills and attitudes or a body of knowledge as a result of the program. There are three common strategies to evaluate training and development programs: cost-benefit analysis (measures training and development costs against its monetary benefits), assessing the extent to which the goals and objectives were met, and levels of training and development evaluation. The last strategy is the most popular one and was first introduced by D.L. Kirkpatrick (Carrell, Elbert, and Hatfield, 1995). He suggested to measure trainees' reaction (how did trainees react?), trainees' learning (what did trainees learn?), change in trainees' behavior (how did trainees' behavior change?), and impact of the program on organizational effectiveness (what organizational goals were affected?) in evaluating training and development programs.

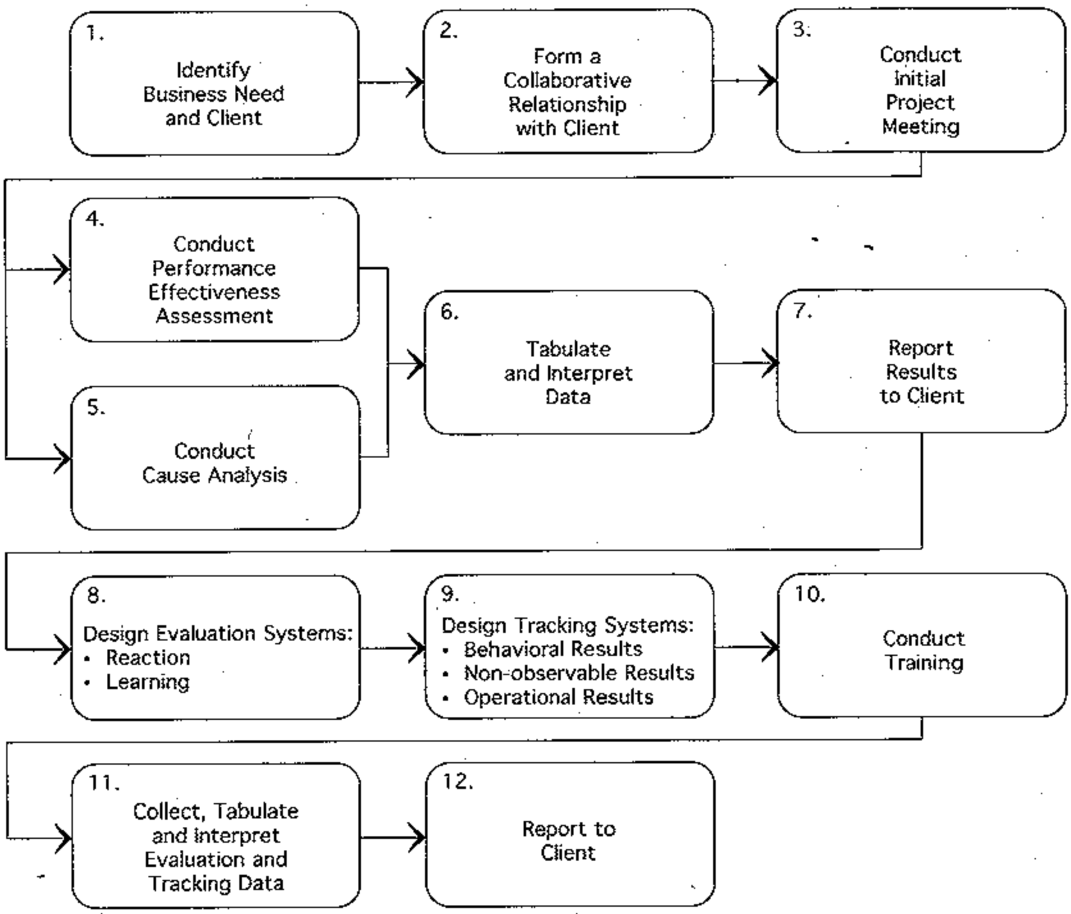
Figure 1: Systems Approach Diagram



Note: Adapted from "Training and development of international staff", by Kerstin Baumgarten, 1995. In *International Human Resource Management* (p. 209) by A. Harzing and J.V. Ruysseveldt (Eds.), 1995, London, England: Sage Publications in association with the Open University of the Netherlands. Copy right by Open Universiteit, Heerlen.

The second approach is the training for impact approach. This approach, first introduced by Dana Gaines Robinson and James C. Robinson, is more contemporary and more complicated, and consists of twelve phases (Robinson and Robinson, 1989) (see also Figure 2):

Figure 2: Training for Impact Approach Diagram



Note: Adapted from *Training for Impact: How to Link Training to Business Needs and Measure the Results* (p. 15), by D.G. Robinson and J.C. Robinson, 1989, San Francisco, CA: Jossey-Bass Publishers. Copy right by Jossey-Bass Inc.

1. Identify business need. Some business needs are problems. They are focused on the past and indicate that there is a deviation between what should be and what is. Other business needs are actually opportunities, for they are looking to the future and to something that is about to happen. The business identification is one form of effort to link training and development programs with business needs.
2. Identify and form a collaborative relationship with the client. For the training and development effort to be successful and have results, both the learning experience and the work environment must be examined and managed in a manner that will produce the desired results. The training personnel is only responsible for and can control only the learning experience, and therefore a partnership with a client who has responsibility for the work environment is necessary.
3. Conduct an initial project meeting. In this meeting, training personnel must influence the client to see the benefits of not conducting a training and development program immediately. It is the effort to raise the client's awareness of the importance of the program. Also, training personnel must convince the client that the training personnel-client partnership has big influence on the successful of the program. When this meeting concludes, the training and development project in question will be either firmly on the road to an impact effort or headed toward an activity approach.
4. Conduct a performance effectiveness assessment. In performance effectiveness assessment, the training personnel determines what should happen (what skills and knowledge are required for people to perform successfully; what operational results should indicate), what is happening (how typical performers demonstrate the desired skills or knowledge; what the operational indicators report as being true now), and what gap exists between them.
5. Conduct a cause analysis. Once gap in performance has been identified, it is

important to determine the cause(s) of such gap.
6. Tabulate and interpret data.
7. Report results to the client. Now is the opportunity to provide the client with the report of results. The report will be effective if it encourages the client to take necessary actions. One way to do so is by involving the client in interpreting the results, and in determining the necessary actions.
8. Design the reaction and learning evaluation systems. There are two ways to evaluate: by obtaining information from trainees about what they thought of the program (reaction evaluation), and by determining the degree to which trainees have learned the skills and knowledge presented in the program (learning evaluation).
9. Design tracking systems: behavioral, non-observable, and operational results. From the evaluation of reaction and learning levels, the focus now will be shifted to the evaluation of the application of learning. There are four categories of learning outcomes that can be evaluated for application: affective learning outcomes, cognitive learning outcomes, behavioral or skill learning outcomes, and operational outcomes. Affective learning outcomes focus on attitudes, values, and beliefs of participants. Cognitive learning outcomes represent the concepts, principles, and knowledge sets that participants are to learn and then use on the job. Behavioral or skill learning outcomes address what participants are physically able to do and these outcomes can be observed by others. Operational outcomes occur on the job as a result of all the other outcomes.
10. Conduct training and development. In this approach, the training and development program is positioned so that the maximum impact to the company is ensured.
11. Collect, tabulate, and interpret (by assigning to the level of indicators) evaluation and tracking pre-training and post-training data. Both pre-training and post-training level of indicators are then compared to determine whether there is an improvement or not.
12. Report results to the client. The client has to be involved in determinng what the results mean and what actions (if any) are required.

Global Training and Development Practices in Chevron Overseas Petroleum, Inc.

Chevron Overseas Petroleum, Inc. is an international oil and gas exploration and production company with interests in 20 countries and employing more than 5,000 people worldwide. Based in San Ramon, California (near San Francisco), Chevron and/or its affiliates have major offices in London, England; Lagos, Nigeria; Melbourne, Australia; Luanda, Angola; Beijing, Peoples Republic of China; Jakarta, Indonesia, and other locations.

The major activities of Chevron Overseas Petroleum, Inc. are as follows:

1. Large-scale, ongoing exploration and development, offshore West Africa.
2. Oil production and exploration, remote interior of Papua New Guinea.
3. Major oil production and world-scale steamfloods and waterfloods, Indonesia.
4. Large new exploration projects, Trinidad-Tobago and Bolivia.
5. Management of giant field and new field development, U.K. North Sea.
6. Major offshore gas production, Australia.
7. Development and production of super-giant fields, Kazakhstan.

Daily production of Chevron Overseas Petroleum, Inc. for 1993 is about 500,000 barrels of oil (and some natural gas liquids) and about 230 million cubic feet of natural gas. Its earning for that year is about US$ 680 million.

Chevron Overseas Petroleum, Inc. has a variety of training and development programs (in Chevron Overseas Petroleum, Inc., it is called technical training and employee development programs) and arranges several hundreds technical training programs and visits each year, most of them are at project sites. The more integrated training and development programs in Chevron Overseas Petroleum, Inc. have started in 1984 under the supervision of the Technical Training Coordination at the company's headquarters. The primary objective of such programs is to accommodate the business needs of either the company's strategic business units (SBUs) as well as to develop and support national employees (HCNs) of affiliates and expatriates (PCNs). In order to accomplish that objective, Chevron Overseas Petroleum, Inc. adopts the following strategies:

1. Communicating and nurturing relationship with company's affiliates staffs and with company's personnel in all functional areas.
2. Ensuring a proper match between the programs and the business needs of the company and/or its affiliates.
3. Meeting commitments to foreign government concession agreements and technical assistance agreements.
4. Arranging and administering all logistics relative to training and development programs.
5. Administering scholarship programs at United States universities.
6. Monitoring and approving costs for training and development programs.

In general, there are four types of training and development program. The first type is long-term productive work assignment for minimum six months. This type of program aims to provide opportunity to learn and apply new methods and techniques, provide exposure to the company's business practices, and provide for feeling of accomplishment through contributions to various activities/projects. The second type is short-term orientation visits which can range from one day to several weeks. Basically, this type of program is a medium for gathering important information, observing and discussing specific topics, and developing contacts and obtaining reference material. The third type is long-term scholarship program in the United States. By enrolling in this type of program, trainees can earn an undergraduate/graduate degree, and, for trainees who come from non the United States countries, it is the opportunity to learn home country's cultures. The fourth type is Chevron and vendor courses. This type of program focuses on exploration, production, drilling, safety and environment, computer applications, and management and personal development.

The nomination for training and development program enrollment follows several steps:

1. Program request in which such information must be filed as employee data, individual career planning and development program, work experience and training record, overall development objective, training specifics/program contents, and future assignments.
2. Selection and assignment placement which consists of evaluation of candidates' experience and background, find out suitable project availability to meet training objectives, and approval from company's management.
3. Discussion of program outline to ensure a proper match between the needs and program.
4. Finalization of program outline.

Although such pre-program efforts have been done in order to make training and development programs effective, but monitoring and evaluation activities are still needed. Three kinds of monitoring and evaluation exist. They are as follows:

1. Monthly report submission to company's headquarters which covers brief list of activities, how activities contribute to objectives achievement, comments and concerns regarding the assignment, and course attendance.
2. Field visit in which trainees meet training and development officers to review the progress of programs, resolve any problems, and modify/adjust the programs as needed.
3. Exit interview which aims to obtain feedback for future assignments improvement. Such interview includes the following questions:

- Was the assignment beneficial?
- Were assignment objectives met?
- What kind of support was given by supervisors and co-workers?
- What are the recommendations for improvement?

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