THE EDUCATION ADMINISTRATION FUNCTION

ITS DEVELOPMENT, GROWTH AND EVOLUTION

IN A BUSINESS ORGANIZATION

A CASE STUDY

A Thesis

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ABSTRACT

Business and industry are committing ever increasing amounts to education and training both within and without their organizations. In the last few years, the number and variety of these learning activities have grown substantially. Historically, these activities have been subordinated to the personnel or HRD function but they are now emerging as an important managerial responsibility because of the expenditures being made and their importance to the individual and to the company.

This is a study of one company's experience over a three year period as it pertains to education and training. It was found that there was a major need for an organized approach to all learning activities within an organization and that they must accommodate its long-range plan as well as the requirements of the individual in a dynamically changing technical and economic environment. Based upon the findings of this study, there is a distinct difference between the educational administrator in a school and in a corporation and in addition, the competencies required of a corporate educational administrator were identified.

The positioning of the corporate administrator in an organizational context remained unresolved.

RÉSUMÉ

- L'industrie et le monde des affaires s'engagent à débourser continuellement et de plus en plus pour les études et la formation tant à l'intérieur qu'à l'extérieur de leur organisation. Au cours des dernières années, le nombre et la diversité de ces activités ont pris une extension considérable. Dans le passé, ces activités étaient plutôt adressées au service du personnel ou du développement des ressources humaines; mais, aujourd'hui elles surgissent plutôt comme une responsabilité importante de gestion à cause des déboursés encourus et de leur importance à l'égard de l'individu et de la compagnie.

L'étude, dont il est ici question, porte sur les expériences d'une compagnie échelonnée sur une période de trois ans. On constate principalement la nécessité d'organiser des méthodes d'approche pour ces activités de formation à l'intérieur d'une organisation. Basé sur les résultats de l'étude, on est arrivé à la conclusion qu'il y a une différence marquée entre le directeur des études d'une école et celui d'une corporation. De plus, les compétences requises d'un directeur des études ont été établies.

Le poste de directeur corporatif des études à l'intérieur de l'organisation reste encore à définir.

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INTRODUCTION

.01   The debate on company based education

During the nineteen sixties and early nineteen seventies the debate
raged: "Should industry educate?" Both sides argued strenuously in support
of their positions and drew on all kinds of experts to uphold their argu-
ments.   Harder maintained that the corporation was and has been an educa-
tional institution:

> "The role played by the American Corporation as the generator of
> economic growth and the provider of material benefits is widely recog-
> nized and generally accepted. But less noticed is another essential
> role: the corporation as a contributor to social values. In our soci-
> ety the ultimate measure of the worth of any institution – and the test
> of its survival – continues to be the contribution it makes to the wel-
> fare of the individual human being. So it is with the corporation.
> Today a new generation of corporate management faces the challenge of
> making a difficult adjustment once again in an era of pervasive and ac-
> celerating change and complexity that is unsurpassed in the history of
> man. As the American business community has repeatedly demonstrated
> over the years, the challenge of change can only be met by developing
> new attitudes, by training for new skills and by instilling new
> learning – in a word, by education. Today's education challenge to the
> corporation reflects the scope and intensity of the impending changes,
> and the response must be proportionately immense and penetrating".[1]

On the other hand, Robert Townsend stated in his book "Up the
Organization":

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1. Howard C. Harder, "The Corporation: An Educational Institution," from
    Preparing Tomorrow's Business Leaders Today, Peter F. Drucker, ed.,
    (New Jersey: Prentice-Hall, Inc. 1969), pp 95-96

"Fire the Training Department - we have no need of them - we have no need of encouraging a kindergarten."[2]

The argument is now past, and it has been won overwhelmingly by those in the affirmative.[3]   It is no longer should industry educate but how and by how much!

.02   The growth in company education and training involvement

In the United States the growth in company educational and training programs is widespread and a dominant trend.   Although public and para-public organizations as a rule donate more time, money and staff to training than does the private sector[4] nevertheless Katherine Beal states that: "Employee education sponsored by business and industry has itself become big business.   It now represents a substantial part of the nation's system of higher education".   In 1978 approximately four million Americans were parti-cipating in courses within their company on working time and almost one mil-lion more were enrolled in company courses during the off-hours.   The total

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2.   Robert Townsend, Up the Organization, (London: M. Joseph, 1970) p. 89

3.   Linda Sue Troman, A Descriptive Study of Training Programs in Selected Businesses in Central Illinois, Doctoral Thesis 1979 University of Illinois, 320pp.

4.   Margaret Jean Wheatley-Pesci, Equal Employment Opportunity Awareness Training: The Influence of Theories of Attitude Change and Adult Learning in the Corporate Setting, Doctoral Thesis, 1979, Harvard University 174pp.

direct cost of these activities has been estimated in excess of two billion dollars.[5]

Individual industries are spending vast sums on broader educational and developmental programs for their employees. General Motors budgets $1 billion annually on training and AT & T and IBM each spend over $3/4 billion. It is expected that the money allocated for training and education will nearly double between 1976 and 1982, and that management training departments will grow by some 80 percent.[6]

Another indication of the growth of interest and importance of education in business is the notable increase in the membership in the American Society for Training and Development: the membership is now over twenty-one thousand having averaged an increase of 15% per year over the last five years[7].

.03 Growth in Canada

The trend in Canada is upward as well which is reflected in the variety and number of workshops and courses in business subjects offered by most universities and colleges.

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5. Katherine Bedl, "Twenty Checkpoints for Effective Education," Management Focus (New York: Peate, Marwick, Mitchell & Co., November-December, 1979), p. 49

6. Diane Gayeski, "Educating the Training Professional," Training and Development Journal, August 1981, p. 60

7. National Report for Training and Development, Vol. 7, no. 4 Publication of the American Society for Training and Development, February 20, 1981, p.3

The Financial Post has estimated that Canadian business spent over 40 million dollars in 1979 for outside training[8]. With inflation and growth added, a conservative figure for 1980 would top 45 million and there is no sign of it abating. This represents only a small part of the total number of people taking part in company sponsored training. Many more are participating in in-house training as well as taking advantage of company funded educational aid.

.04 Reasons for business involvement in training and education

There are a number of pressing reasons why Canadian industry is bearing the cost for employee education and training in an ever increasing way.

Throughout North America there is a fundamental change in the industrial base taking place resulting in a shift in the economic structure. The service sector is growing in importance and is prospering at a time when other more traditional industries are either in the doldrums or in a state of deep recession. This is particularly true of Canada which is so dependent on resource industries and on branch operations. An increasingly larger share of the gross national product is being taken by all levels of government to the detriment of private investment. There is growing interference by government in an ever widening range of business activities

8.   James L. Smith, "How to Decide if Training is the Answer to a Staff Problem," The Financial Post, (Toronto), January 13, 1979, p. 11

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and the lack of consensus on a national economic policy further complicates a rapidly deteriorating and unstable situation.

On top of these difficulties Canadian business must struggle with technological changes and foreign competition that are unprecedented in the history of mankind. These conditions are affecting every Canadian enterprise. Today Canadian businessmen must cope with a bewildering number of factors and in an environment of growing uncertainty they must manage, take decisions and act. All levels of management are affected and involved. The survival, and growth of every Canadian enterprise in this day and age depends largely on the capacity of its management to develop plans and make decisions of the highest order. Survival and growth rest on the quality of these actions. Although these external events are placing ever increasing demands upon management, the inability of a company's executive to react effectively to them will result in the demise of their business.

Ten years ago, Zand predicted that many organizations would become "particularly vulnerable to managers who wield power and who are knowledge incompetents."[9] This prophesy has become true. The majority of industries are being held back in implementing the latest robotic technology because so few engineers have the knowledge to apply it efficiently and effectively.[10]

9. Dale E. Zand, "Managing the Knowledge Organization," from Preparing Tomorrow's Business Leaders Today, Peter F. Drucker, ed. (New Jersey: Prentice-Hall Inc. 1969) p. 132

10. "Filling the Gap in Robot Training," Business Week, (New York: McGraw-Hill Inc.) February 15, 1982, p. 52H

.The impact of computerization is only now being experienced by the large majority of Canadian businesses. With computerization will come quantitative methods based on mathematical concepts not commonly used before in business. Furthermore, these quantitative methods will impose a discipline on all managers where guestimates and "crystal ball" methods were adequate in the past. Few managers are equipped to handle quantitative methods and must be trained to do so. Vandell states that a company must build analytical and quantitative competencies in a broadening number of management areas to be successful in the future[11].

On the horizon, further accelerating the rate of change are new forms of communication which will radically transform all methods of carrying on business. Video phones, and "in-casting" will substantially alter selling and marketing methods. Multi stage computer networks will contract billing and payment time so that all transactions will be simultaneoulsy carried out. To protect their capital and manage a satisfactory return, businessmen will be forced to forecast and monitor cash flow with an accuracy far surpassing todays standards[12].

Adding to the complications caused by economic uncertainty and technological change are those induced by energy constraints. Attention will have to be given to what the operations research people term allocation problems. Linear, non-linear and dynamic programming methods will have to be understood and applied effectively to maximize earnings and profits.

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11. Robert F. Vandell, "Management Evolution in the Quantitative World," Harvard Business Review, January-February 1970, Vol. 48, No. 1, p. 89

12. "Computer Graphics Can Add Firepower to the Corporate Arsenal," Financial Post, (Toronto), October 10, 1981, p. R1

To those already in the work force, there is the feeling of insecurity accompanying these dynamic changes. The threat of obsolescence is facing many managers and professional staffs, and can result in serious performance or personal problems. Professionals are finding that a knowledge base will afford them only ten years at the most. Managers within a few years of retirement can no longer count on experience, existing knowledge or skills to carry them through for the remainder of their working lives.. The realization is starting to dawn on all levels of management that they will have to update their knowledge and skills continually throughout their business careers[13]. Nor is this obsolescence restricted to management. The same holds true for a wide variety of skilled and semi-skilled positions[14]. The position of women in industry is particularly worrisome[15]. Among women in industry the largest number have been employed in information gathering and processing. Here women account for over 90 percent of the workforce as stenographers, secretaries, receptionists, accountants, bookkeepers, and in numerous tasks of a similar nature. Because of micro-electronic technology and the electronic automating of many of these tasks, jobs are being eliminated while others are being radically changed. As women constitute 50% of the workforce these technical changes have far reaching implications, not only for women workers but also for the economy as a whole.

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13. William R. Dill, Wallace B.S. Crowston, and Edwin J. Elton, "Strategies for Self Education," Harvard Business Review, November-December 1965, Vol. 43, No. 6, pp 119-130

14. Jim Travers, "Retain laid-off workers, Ontario Liberal demands," Montreal Gazette, (Montreal) Wednesday, November 18, 1981, p. 40

15. Heather Menzies, Women and the Chip, (Montreal: The Institute for Research on Public Policy, 1981) pp. 98

In the United Kingdom employment has declined because of micro-electronics. The impact on employment through the use of computer aided manufacturing systems has been particularly severe in the watch, electronic and machine tool industries. If micro-electronics continue to displace labour or inhibit the growth in employment, the United Kingdom could have more than four million unemployed by the middle of this decade[16].

The changes fostered by these social, political, and economic shifts which began in the 70's and which are continuing unabated in the 80's are gaining momentum. Greater attention to the needs of individuals in relation to their workplaces is of critical importance. Business is finding that it is increasingly necessary "to build bridges between the individual's aspirations and the company's objectives."[17]

.05   Shortcomings of the public educational system and government legislation

In the past, Canadian business relied heavily on the school system and immigration to supply skilled tradesmen and the universities to provide its professional staffs. But Canada remains chronically short of skilled labour for three reasons.   As education is within the jurisdiction of the

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16.   Clive Jenkins, The Institute for Research on Public Policy, Vol. 3, No. 4, April 6, 1981

17.   Kap Cassani, "The Management Education Needs of Business," Management Education in the 80's.   International Seminar La Hulpe, Belgium 24-26 February, 1978 (AIESEC, American Management Association 1979), p. 41

provinces, it lacks a national focus and perspective. Education offered in one province frequently does not equip the individual to work in another as evidenced by the inability of graduates from other provinces to work in french in Quebec, and conversely Quebec graduates to work in English in the rest of Canada. Often a province has not had the foresight to train its own citizens to take advantage of work opportunities within its own borders. An example today is Newfoundland in jobs and professions related to the petroleum industry. Industries have failed as the Bricklin Company did in new Brunswick primarly because of a lack of sufficiently trained and skilled personnel to build automobiles. With rare exception, provincially based education is neither interested nor politically motivated to provide an educational base which enables the individual to take advantage of opportunities that are beyond its borders. Another factor, although not in itself a cause of a shortage of skilled labour are insufficiently trained workers graduated by vocational institutions. Many provincial vocational programs train students on outmoded equipment and the facilities are not state-of-the-art.

Not all blame can be levied at the provincial educational system. The federal government must share the blame. Federal immigration policies restrict the number of skilled workers entering Canada, thus further limiting the supply of adequately skilled personnel[18]. Although the federal government contributes over $800 million a year to retraining, much of it is wasted as there exists little co-operation or co-ordination between Ottawa

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18. James Bagnall, "Skill Needs May Force Migrant Doors Wider," The Financial Post, (Toronto), October 10, 1981, p. 1

and the provinces.   The federal task force on retraining describes it as "scandalous".[19]

The universities are also a contributor to the shortage of professional and managerial talent. There is an over abundance of graduates in arts and social sciences but a dearth of engineering graduates, which affects not only industry but university teaching in not having available competent engineers and scientists to meet the manpower needs of industry or to teach or retrain them.[20]   Further compounding the problem, much of what is being taught in the business schools is either outmoded, lacks relevance or actually omits those topics that are relevant to business practice today. In other ways the majority of Canadian universities fail to meet the needs of many full-time employed individuals by steadfastly refusing to assist them in the pursuit of a professional degree on a part time basis. Moreover they are totally inflexible and unreasonable in their insistence on courses for degree purposes that are neither pertinent nor essential for competence in a particular discipline. Nor are the curriculum and teaching tailored to the needs and time limitations of the adult full-time employed learner. How much time can the individual spend studying and preparing for a degree when one must work a full job 8 hour day and then go to class? The situation is not only ridiculous, it is a serious impediment to providing an adequate supply of professionals and managers.   The universities have chosen either to forget or overlook the fact that they and the educational system are

19. Editorial, "Refocus on 'Job Retraining," Toronto Star, (Toronto), Friday, October 16, 1981, p. A8

20. Trish Crawford, "Professors Prepare for "War" with Ottawa," Toronto Star, (Toronto), Friday, October 15, 1981, p. A10

largely responsible that most Canadians tend to work at jobs for which they were not specifically trained.

.06 Developing trends in company based education

A pattern is starting to emerge. In spite of the fact that universities are maintaining their academic aloofness, and that education in Canada lacks a national perspective because the provinces continue to jealously guard their prerogatives, business and the professional associations in the face of these difficulties are tackling education and training within their own purview with ever increasing vigour. A Conference Board bulletin indicates that 85% of five major industries in manufacturing, utilities, retail trade, banking and insurance in the U.S. had on-site training and education programs while 90% provided tuition aid to all employees.[21]

Unfortunately Canadian universities are either not aware of what is happening or choose to ignore this trend as few are taking advantage of it. Dr. Odriorne elaborates on this point in his book on Management by Objectives. He agrees that education in industry continues to grow, at an unprecendented rate but as the educational institutions are not reacting to the opportunities that this offers, business based education will take over continuing education to a major degree.

"During the seventies the training revolution and human-resources development movement caught on; they will become even more pronounced

21. Harriet Gorlin, "Personnel Practices I: Recruitment, Placement, Training, Communication," Information Bulletin No. 89, The Conference Board, 845 Third Avenue, New York, N.Y. 10022

in the eighties. I.B.M.'s heavy commitment to education as a way of running a business, well established during the seventies, will become more common in the eighties for large firms. Xerox's learning center, Eastman Kodak's giant training and development center, the G.M. Institute in Flint and similar company schools that flowered during the seventies will be copied widely, expanded and made more innovative. Adult education so widely touted as their future growth area by today's colleges and universities, will probably see its full flowering in the private sector rather than in the universities. For one thing the universities are responding defensively to a loss of undergraduates and graduate students rather than aggressively building up adult education. For another, the universities are so bound up in academic restraints, including a generally ineffective organizational model known as the extension division, that they are most unlikely to respond actively and intelligently to the situation. The corporation, the trade association and the trade union will do most of the creative and continuing education, and only the overflow from those programs will appear on the campuses which will be rented out as ivy-covered hotels for corporate clients during the summer to help pay off the dormitory bonds".[22]

Professor Odriorne's observations unquestionably have a great deal of merit, but at the junior college level both here and in the United States educational institutions are awakening to the fact that opportunities do exist in developing cooperative programs with industries and have taken steps to become involved.[23]   And the growth in private educational schools

22. George S. Odriorne, M.B.O.II: A System of Managerial Leadership for the 80's (Belmont California: Fearon Pitman Publishers Inc., 1979) pp 23-24

23. Stephen K. Stroback, "Use your Local Community College," "Business and Post Secondary Linkages," Training and Development Journal, Vol. 30, No. 12, December 1976, pp 8-11

and education consultants to business in the last few years has been nothing less than meteoric.[24]

Industry's endorsement of all forms of education and training is no way to be considered altruistic. It is motivated by necessity and survival.

In order to survive and grow, business is aware that it must be flexible and responsive to the dynamics of social and technological change. Adding to social pollution is as damaging to business as it is to society and to the country. In an age of rapid technological change staff obsolescence is a problem for most organizations. To maintain its vitality it must have a solid foundation of employees who are sufficiently well trained and educated to cope with change and take advantage of the opportunities presented. Education must be seen as continuing throughout an individual's work life. A company that neglects education does so at severe risk to its future.

.07   The need for standards and organization in company educational activities

Through the increasing sums that are spent, business and parapublic organizations acknowledge the importance of education and training but there are some hard questions starting to be raised. Business is becoming aware

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24.   Recession-Proof Business-Trade Schools ad appearing in the Financial Post, October 4, 1980. Excerpt: "The number of graduates from trade schools has tripled in the last ten years. Disillusioned college graduates make up the bulk of the market."

of the large sums involved in employee education and human resource development and is starting to look at its return but it has still not organized the education function either to make it more profitable to the individual or to optimize its effectiveness for the organization as a whole. A recent survey of large corporations in the United States indicates that less than half of those surveyed had anyone assigned full-time to education. More remarkably, well over one-third employed neither education nor training specialists.[25] An excellent example in Canada is Air Canada where no central authority for the education - training function exists,[26]

Although there is some evidence to support the contention that all aspects of education, including training and career directed educational aid are coming together under one authority the fact still remains that in the majority of organizations the educational function is still disjointed and remains unorganized.[27]

A great deal has been written on the management of the training function by Tracey, Denova and many others, but surprisingly little has been written on the management of learning in a work setting and nothing on the administration of the entire educational function.[28]

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25. Beal, op. cit., p. 49

26. Betty English, "Training Needs in the Transportation Industry," MBA Thesis (Montreal: McGill University, April.1974)

27. Ronald W. Clement, James W Walker, and Partick R. Pinto, "Changing Demands on the Training Professional," Training and Development Journal, Vol. 33, March 1979, pp 3-7

28. David Lloyd George Yule, Management of Learning in Work Settings, (Toronto: University of Toronto) Ph.D. Thesis, 1979

Tracey, one of the leading authorities on training in industry omits any mention of the function of education in the role of the training manager.

"What is the role of the training manager?" Is he a staff officer? Specialist? Consultant? Instructor? Co-Ordinator? Salesman for training? Evaluator? Manager? If he is a manager should he operate as a bureaucrat or an entrepreneur? Should he be a risk taker? Should he be a crisis manager or an architect of the future? Should he be theory-oriented? Human relations-oriented? Should he place emphasis on individual skills? Individual development? Organization improvement and renewal? To fulfil his role what skills does he need? Personal? Technical? Human? Conceptual? Persuasive? Listening? Innovative? Leadership? Marketing?...Who should conduct training? Professional trainers? Line supervisors and senior operative employees? Managers? Outside consultants? Contract trainers? How do you decide? If in-house trainers are to be used, how should they be trained? Trained in what? Who should train them? What is the role of outside training agencies? Professional organizations? Technical schools, colleges and universities?"[29]

Traditionally the administration of the training and educational functions were the responsibility of the personnel department. As the personnel department has been and is still regarded as a staff function supporting operations, it has not been privy to corporate strategies and plans developed by the executive group although this is changing in many companies. Most companies of any size are today engaged in strategic and long range planning in an environment of ever increasing economic, social and technolo-

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29. William R. Tracey, Managing Training and Development Systems (New York, Amacom 1974) 3rd Printing pp. 44-45

gical change. As a result, management is being forced to assess its human resources in order to implement its planning successfully. Human capital is now being given the attention that other assets of the company were given in the past. The development of human resources is starting to take its place in overall company strategy, sharing with equal importance the management of other principal resources of the company.

The management of human capital as an asset is based on the bottom line. In this, it is no different from any other asset of a company. Consequently, the basis for the management of human resources is productivity, which is a function of efficiency, cost cutting and quantity produced in a given time. These in turn are affected by the social and psychological environments of the organization, such as physical working conditions, supervision, quality of work life and intangibles such as health, competence and motivation. The personnel department was never meant to structure job content or to realign production systems, and in improving productivity there is always the human factor. To concentrate on this factor, management established the human resources function, with the intention of focusing on the human factor in the production of goods and services.

In service oriented organizations such as the American Telephone and Telegraph, this function has been delegated to a new senior vice-president called the "vice-president, human resources development". In a large insurance firm the responsibility rests with the "vice-president, management services" while in a manufacuring company it is part of the job of the "vice-president, production services". General Motors set up a new position entitled "vice-president, personnel administration and development".

In order not to have the management of human resources conflict with production, operations and marketing management human resources administration has been defined as "developing and managing human resources at work towards new goals of greater sharing of personal, social and economic values".[30] Basic to this definition is the principle of human resource development, the most common activities being training and development.[31]

In reporting procedures, there are almost as many variations as there are titles. At Burlington Mills human relations reports to a senior line officer, while at Weyerhauser the human resources vice-president reports to the senior vice-president, labor relations, a staff position. In another multi-national company the senior officer responsible for human resources matters does not have a title but reports directly to the president. As Mills observes there are a bewildering range of titles and offices to identify where the human resources function should be placed and there is an equally bewilderingly number of organizational structures to accommodate it.[32]

Small wonder then that the basic element of human development, education and training gets short shrift. Not only is there confusion as to where the human resources function should be placed, there is a comparable

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30. Ted Mills, Human Resources - Why the New Concern? (Harvard Business Review, Vol. 52, No. 2, March-April 1975) p. 123

31. Leonard Nadler, Developing Human Resources, 2nd Edition (Austin, Texas: Learning Concepts 1979) p. 3

32. Mills, op. cit., p. 122

degree of confusion as to where education and training should fit: within human resources, within personnel or on its own? Consequently, the importance of training and education is often overlooked or at best given low priority.

.08 The broader aspect: educational administration in industry

A number of Canadian businesses are struggling with the administrative problems inherent in human resource development. They are also fully aware of the proposal of the parliamentary task force on job retraining that requires "every employer to set 0.5% of the company payroll for retraining or face tax penalties, and (those) firms that seek to import skilled workers to draw up a comprehensive training plan and a five-year manpower forecast to avert such a problem in the future".[33]

Fundamental to these issues is training and education and it is these responsibilities that Canadian business must administer efficiently, if they are to stave off government intervention, if they are to survive and if they are to maintain Canada's position as an industrial and commercial nation.

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33. op. cit., Editorial, Toronto Star, p. A8

C H A P T E R   2

THE PURPOSE OF THE STUDY

.01 Human resources and learning activities

Industry is now awakening to the fact that better management of a com-
pany's human resources is no longer a low priority desire but a must. Human
resource management starts with the selection of the right person for the
right job as it is then constituted. If the wrong person is chosen, there
is no supervisory or management system that can override or even improve the
situation. The second element in human resource management is compen-
sation.[1] Wages more than any other factor can create dissatisfaction
quickly and more destructivity than any other cause. Once these have been
addressed the ongoing function in human resource management is human re-
source development which is predicated on sound training and educational ad-
ministration. However as Ted Mills states the whole activity of human re-
source development is still ill defined and as its position in the organiza-
tional hierarchy is still unresolved, it is little wonder that human re-
source development is ineffectually and inefficiently administered and with
it education and training.[2]

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1. Fred K. Foulkes, "The Expanding Role of the Personal Function," _Harvard
    Business Review_, Vol. 52, No. 2, March-April 1975, p. 73

2. Mills, _op. cit._, p. 123

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.02   The emergence of learning activities as a distinct job function

The responsibility for all forms of learning as a major executive activity in a corporation has as yet not occurred. But it is evolving in that direction. In the past, education and training were the responsibility of the personnel department. As a function of the personnel department it was one of many functions. In personnel it was forced to compete with other activities for resources and for attention. Education and training suffered because of its subordination to personnel. Not only does personnel seldom have influence in inner executive circles, but personnel managers have little or no appreciation of learning concepts and few have any background in education.

.03   Importance of learning activities in a business setting

The importance of learning to a company for its overall performance if not for its ongoing existence is becoming apparent. There are two forces at work both complimenting and reinforcing each other. Executives themselves are coming to realize the importance of continuing education for their own benefit and their own advancement. In a world and a society that is ever changing new knowledge and new skills are required to handle complex organizational problems in conditions of varying uncertainty. This is forcing them to consider their own and their fellow employee's development as an ongoing process. As a consequence they are allocating increasingly large sums to education and training. Because of the sums involved, attention is being drawn to this human resources function.

In order to administer the educational function effectively, management must first answer a number of questions relating to learning activities occuring within its operations.

a) How are learning activities defined?

b) Who has the primary (executive) responsibility for learning activities?

c) Where is this person placed in the organization structure?

d) Have job performance and competency standards been developed and are performance evaluation techniques in place?

e) How are problems on conflicts resolved between line and staff resulting from short-circuits within the managerial networks and defined authority responsibilities?

f) How are learning activities used as management strategy? Is there a strategic plan and is there a long range plan clearly stating the present and future manpower needs of the company? Has the impact of technology on present and future staff been assessed and addressed?

g) Has management endorsed the arguments for retraining, updating knowledge and skills, and teaching new skills?

h) Have learning activities been integrated with operating functions such as marketing, manufacturing and data processing?

i) What degree (or lack of degree) of control has the executive in charge of learning activities over policy? What degree of influence has this person on overall company plans and policies?

j) Is there an adequate budget available and is it adhered to?

.05 Learning activities interwoven with human resource development

As yet management has not fully addressed these questions. Their attention has been taken up with the more elusive concept of human resource development. It was Nadler who coined the term human resource development in the 1960's and he originally defined it as educative, training and devel-

opment.[3]   Since then, human resource development now known simply by its

acronyn HRD has been enlarged to embrace such concepts as quality of working

life, participatory decision making, organization development and personnel

activities.[4] Learning activities have been lost in the shuffle.

.06 The need to organize learning activities and assign accountability

·However, learning activities are starting to ·reassert their impor-

tance.   As they gain in importance, they are acquiring a greater share of an

organization's financial resources and as their stature grows as an

integral part of a company's strategic and long range plans the necessity is

becoming·obvious that the responsibility for the learning fuction must be

fixed at a level of some seniority.   Having accorded the responsibility for

learning activities to a specific position in the organizational structure,

it will then be necessary to define very clearly how this responsibility is

to be exercised and what means of control will be instituted for achieving

the results expected.

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3. Nadler, op. cit., - Developing Human Resources, p. 3

4. Mills, op. cit., p. 123

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.07 The absence of administrative models or paradigms

The problem of where to place the responsibility for human resource development surfaces frequently in the literature.[5, 6] It has remained largely unresolved. There have been a number of attempts to build HRD models but these have not met with a great deal of success. The main obstacle arises from the difficulty of defining HRD in concrete terms.[7 8] Every reference to HRD either in terms of models, job descriptions, roles, andauthority structures acknowledges the importance of the function of education and training, but nowhere in the literature is there any reference to learning activities as a distinct and separate functional entity in its own right. It appears that isolating all duties, tasks, and responsibilities associated with learning in a business setting and classifying them into a unique and functional administrative position has escaped the attention of management theorists, organizational experts and management in general. With the vast sums expended by business on education this is unwarranted and a major oversight. It is hoped that this research will shed some light on what these activities are and how they may be grouped to form an administrative position of responsibility.

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5. _ibid._, Mills, p. 122

6. Leonard Nadler, "Implications of the H.R.D. Concept", _Training and Development Journal_, June 1981, p. 14

7. Geoffrey Bellman, "Building H.R.D. models for Fun and Profit", _Training and Development Journal_, May 1981, Vol. 35, No. 5, pp 31-34

8. Thomas Macklin "Remodeling HRD", _Training and Development Journal_, June 1982, Vol. 36, No. 6, pp. 44-52

.08 The objective of the study

The purpose of this research is to study one company's activities in and experience with all facets of education, training and learning. It is hoped that a clearer understanding of what these activities are will be forthcoming and that some sense of their importance may be derived. Furthermore, based on the research findings it is presumed that these activities are unique unto themselves and can be combined into a single administrative responsibility. Thus having identified and grouped all the learning activities in this fashion it may assist the placing of the position in the organization structure and according it the authority that it merits.

The unit chosen for study will be described in Chapter Four on Methodology.

C H A P T E R   3

DEFINITION OF TERMS

In order to be clear and precise it is necessary to define education and training, human resource development, and management and administration, human resources and human relations and levels of management.

.01   Education and Training

Notwithstanding Richmonds definition of education,[1-2] education is here defined as the systematic instruction, schooling and training given to an employee embracing all elements of instruction, on-the-job training, in-house training, outside seminars, courses, career directed education and educational aid.   In its broadest sense it includes all aspects of an employee's education which is sponsored by the company.

Nevertheless, throughout this work reference is usually made to education and training not simply to education.

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1.   W. Kenneth Richmond, The Education Industry.   (London: Methuen and Co. Ltd. 1969) p. 7

2.   Jean M. Diera, "Training do we know what it means?" Education Report, (Graphic Arts Technical Foundation Inc.) No. 21, 1978

.02 Human resource development (HRD)

Another term frequently used is human resource development. This has been defined in chapter two as educative, training, and development including management policy to improve the quality of working life generally and personnel activities. From time to time other activities such as labour relations, benefits and wage administration are accredited to it.

There is some confusion as to whether or not "resource" should be singular or plural. Nadler prefers the singular while Mills the plural. For the purpose of this thesis the singular will be used.

.03 Management and Administration

Most writers acknowledge that the distinction between management and administration is obscure, although Hodgkinson differentiates administration as being ends-oriented contrasted to management as being means-oriented.[3] For the purpose of this thesis the opinion of most authorities will be accepted.

Administration is synonymous with managing. It is the exercise and control of authority, the implementation of policy, the direction and distribution of work, the coordination of effort, the selection and optimal use of resources, the management of resources and assets. Administration

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3. Christopher Hodgkinson, Towards a Philosophy of Administration (New York: St. Martin's Press, 1978) p. 5

implies responsibility and accountability for results and for operating within budget constraints. Bogue and Saunders, in the Educational Manager, support this definition of administration.[4] The terms management and administration are considered interchangeable and executive action connates initiation, as well as implementation and execution.

.04 Human relations and human resources

Human relations management stresses the importance of the individual's effort to the total cause. Its basic objective is to make the employee aware of being a useful and integral part of the overall effort to attain an organization's goal. It seeks to treat the "whole man", skills, aptitudes and psyche but limits participation in decision making. Human resources management on the other hand stresses participation in decision making and encourages the individual's control over his or her own job functions. The human relations model maintains management prerogatives, while the human resources model attempts to minimize them.[5]

.05 Levels of management

Reference is made to various levels of management throughout the text. Level 1 refers to the chief executive officer or president, level 2 to the

4. E.G. Bogue and Robert L. Saunders, The Educational Manager: Artist and Practitioner, (Worthington, Ohio: Charles A. Jones Publishing Company, 1976) pp. 12-14

5. Raymond E. Mills, "Human Relations or Human Resources", Harvard Business Review, Vol. 43, No. 4, July-August 1965, pp 148-163

executive group or vice-presidents, level 3 to senior managers reporting to vice-presidents and level 4 to those reporting to level 3. This is generally contrary to custom but was used to avoid confusion as there were different levels in the founding companies. It is more customary to find that the higher the level the higher the officer.

C H A P T E R   4

METHODOLOGY

There is tremendous impetus in management today to employ elaborate
statistical and mathematical analyses to an ever expanding variety of cor-
porate activities. This is also true of the researcher studying management
and administrative behavior. What is frequently overlooked is that manage-
ment is still an art and not a science regardless of how hard the behav-
ioural scientists try to make it.

Very many models developed from controlled research do not hold up as
the measurement and evaluation criteria are frequently unstable over time.
Standards used to measure effectiveness and performance at one point in time
"may be inappropriate or misleading at a later time."[1]

In the past, case method teaching dominated business education. Gen-
eralization was satisfactory and revised to suit the occasion. Management
was seen to be dynamic and constantly changing. In recent years, there has
developed an emphasis on new tools of management founded on mathematical and
behavioural science. The value of these is very doubtful. As Theodore
Levitt points out:

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1. Richard M. Steers, "Problems in the Measurement of Organizational
   Effectiveness," Administrative Science Quarterly, December 1975, Vol.
   20, p. 552

"Increasingly, scholasticism replaces common sense, formation supersedes dexterity, organizational routines become more torturous, and the staff dominates the line, "Methods" rivet the attention as much as results. Entropy threatens energy."[2]

Yule in his doctoral thesis quotes from "The Tools of Social Science" by John Madge: "Some social scientists will do anything rather than study men at first hand in their natural surroundings."[3]

Administrative practices do not lend themselves well to experimental methodology. Administrative science is not truly an experimental discipline. Administration is both time dependent and culture dependent, as well as being dependent on external influences beyond its control, leadership capabilities and initiative.

Vickers comments in his article on "Practice and Research in Managing Human Systems:" ...what are constraints to one are goals of policy to others and the choice between conflicting goals is the essence of policy making."[4] He adds that in the economic field, control of events subject to political constraints are at best imperfect because they contain cultural elements.[5]

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2. Theodore Levitt, "A Heretical View of Management "Science"," Fortune Magazine, December 18, 1978, p. 50

3. Yule, op. cit., p. 27

4. Geoffrey Vickers, "Practice and Research in Managing Human Systems - Four Problems of Relationship," Policy Sciences 1978, Vol. 9, p. 6

5. ibid, pp. 1-8

White states in his monograph in Continuing Education in Management for Health Care Personnel:

> "It must be readily apparent that evaluation in the sense of numerical measurement is difficult if not impossible to apply in the field of management education, where the precise methods of the physical sciences are so inappropriate".[6]

No two companies are exactly alike nor do they operate in the same economic environment, with the same employee complement, or with the same degree of managerial competence. What works for one company conceivably will not work for another. What is good for General Motors is not necessarily good for Ford. If it were, the automobile industry might not be in quite the difficult straits it is itself today.

The situations that an administrator meets in day-to-day operations are seldom similar and almost always unique. An action taken on one occasion is unlikely to be appropriate on another. As Glover and Hower observed:

> "...we do not think that a human situation, by a whim on the part of the administrator, can be channelled into a simple predetermined course of evolution...But what follows then, depends on the successive reactions that the administrator encounters and what the administrator himself (or herself) does in respect to these reactions. He (she) can start a series of interactions, but no one can see very far into the future, what the course of events may be. Accordingly, we think that the very idea of an administrative solution or answer to a situation – especially a solution or answer can be applied to other situations – is essentially misleading cannot be correlational."[7]

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6   Donald K. White, Continuing Education in Management For Health Car Personnel, (Chicago: Hospital Research and Educational Trust, 1975), p. 1

7. Stephen Isaac, in collaboration with William B. Michael, Handbook in Research and Evaluation, (San Diego, California: Edits Publishers, 12th printing, September 1979) p. 14

Quoting from Thompson, Hodgkinson states that administration can be considered as a rational approach to social relations and at the same time a system that is artificial and consequently always contentious. Furthermore, the inductive and deductive work of Fayol, Weber and Taylor in their attempts to rationalize a science of administration is undergoing increasingly critical appraisal. Studies concentrating on the human component of administration are uncovering facts which point to the less logical character of administrative behaviour.[8] Burns concurs stating that "few statistical procedures are specific to the study of organizations".[9]

It can be seen from the authorities quoted that there are strong arguments to support the proposition that administrative practices and organizational investigation are best suited to case study or survey methodology. Survey studies tend to examine a small number of variables across a large number of units while case studies examine a large number of variables across a limited number of units. As there is only one company involved, case study methodology was chosen as the most appropriate. In this research study, participant observation is supported by the gathering and analysis of documents and written material as well as extensive open ended interviewing. These materials form a base for the description of what actually happened in the unit chosen to study.

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8. Hodgkinson, op. cit., p. 10

9. Tom Burns, "The Comparative Study of Organizations", Methods of Organizational Research, ed. Victor H. Vroom, (Pittsburg: University of Pittsburg Press, 1964) p. 151

The choice of case study methodology is further supported by Cronbach's observation in the text "Toward Reform of Program Evaluation":

> "The possibility of using intensive qualitative studies of local sites is well illustrated by the work of a committee of the National Research Council. The Committee on Evaluation of Employment and Training Programs was established to review the impact and potentialities of the Comprehensive Employment and Training Act (CETA) of 1973. Case studies of local projects dramatized both the variation in experiences and the problems that agencies had in responding to new responsibilities."[10]

Unlike the empirical sciences the objective of the case study is not to establish casual relationships by subjecting "one or more environmental groups to one or more treatment conditions and comparing the results to one or more control groups not receiving the treatment" under rigidly controlled random assignment of group components.[11] For the same reason, quasi-experimental designs are also ruled out. General patterns or "truths" cannot be demonstrated by repeated experiment.

Case studies are particularly vulnerable to subjective bias, and in this case possibly even more so as the observer was also an active participant. On the other hand, the researcher involved as a participant in the case can and does provide valuable inside information, and information that might otherwise be withheld as being two sensitive or too damaging. Fur-

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10. Lee J. Cronbach and Associates, Toward Reform of Program Evaluation, (San Francisco: Jossey-Bass Inc., 1980) pp. 222-223

11. Stephen Isaac, op. cit., p. 14

thermore, the researcher tends "to preserve the felt texture of events" and to recognize them in their true content as happening because of planning, chance or conditions.[12] [13]

The aim of a case study of a group or organization is fourfold. First, it aims to extract data as it unfolds on a day to day basis. From these observations and data, an evaluation and approach can be made so that other groups or organizations faced with similar conditions can use or adapt these findings to their own operations. Second, a case study provides grounded material from a perspective that is derived from experience. A case study is excellent in exhibiting the grounded data that derives from the context and thus contrasts with "a priori" experimentation. Third, a case study reduces and simplifies the diversity of data and focuses on the information that is considered essential. Fourth, it leads to easier interpretation and permits hunches or inspired inference to play an important role.[14] Quoting Kaplan, Fischer writes, "By pressing methological norms too far, we may inhibit bold and imaginative adventure of ideas" and adds his own observation "logical and methodological techniques are not ends but means."[15] Notwith-

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12. Arthur Schlesinger, Jr., "The Historian as Participant," Historical Studies Today, Editors Felix Gilbert and Stephen B. Graubaro, (New York: W.W. Norton and Company Inc., 1972) p. 408

13. E. Hoyle, "The Study of Schools as Organizations," Educational Research in Britain 3. Editors, H.J. Butcher and H.B. Pont, (London: University of London Press, 1973), p. 36

14. Egon G. Guba and Yvonna S. Lincoln, Effective Evaluation (San Francisco: Jossey-Bass Publishers: 1981), pp. 375-376

15. David Hackett Fischer, Toward a Logic of Historical Thought, (New York: Harper Torch Books, Harper and Row Publishers, 1970), Introduction, p. LXX

standing the deficiencies of the case study method, for the reasons cited here, it was selected as the best method for this research.

The intention of this research is to develop a complete and well organized picture of one company's experience in administering learning activities through investigation and participant observation.

The unit that was chosen to study was a medium-to-large firm which had recently undergone amalgamation. It is engaged primarily in distribution but has fairly extensive manufacturing and converting operations. The company is a wholly-owned Canadian corporation with its head office in Montreal. The company has approximately 1,250 employees, sixty percent of whom are employed in Québec and Ontario. There are twenty-three distribution centres situated in the largest cities in Canada with three manufacturing operations, two in Québec, and one in Ontario. Each distributing centre has its own warehouse, delivery operation and operations and sales staffs. Billing is centralized through an on-line computer network system.

The company is a fairly typical wholesale distributor of which there are thousands in the United States and Canada. Their trade association is the National Association of Wholesalers, Washington, D.C.

The case study covers a three year period, from the period of amalgamation of two companies to the present, specifically from December 1978 to the present time. It seeks to describe existing conditions, how they evolved and management's justification for actions which were taken.

Furthermore, problems will be identified and the manner in which this company's management resolved them.

To preserve anonymity the name of the company has been disguised as have the names of its officers. The company exists in real life and its management had and is having to face the problems discussed in the case presented here. These problems are relevant to many companies both here and in the United States.

This case study does not attempt to cover the larger issue of human resource management but concentrates on the functions of employee education and training, including management development. Because only one organization has been chosen for study, the study and its findings can, in no way, be considered representative of a larger population. Valid generalizations cannot be drawn until more intensive research is done on a number of similar organizations,

C H A P T E R   5

REVIEW OF THE LITERATURE

.01 The changing organizational relationships of learning activities

Learning activities within a company have traditionally been associated with the personnel department usually in structural terms as a subelement A new trend however is developing as the personnel function is in a period of transition and learning activities have been caught up in the human resource development web. At present the areas of personnel and human resource development are in a state of flux and educational responsibilities are caught in between.[1-2]

.02 The present status of the personnel function

Personnel is moving in one of two directions. It is becoming either an active partner in human resource management or strictly and solely an administrative activity. Levinson eloquently states "personnel is not people". He claims it is an "added on" activity and personnel responsibilities are assigned – not chosen. Furthermore, Levinson continues, personnel staff are inadequately trained and their role and function are difficult to define.

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1. William C. Byham, "Applying a Systems Approach to Personnel Activities" Training and Development Journal, Vo.. 36, No. 1, January 1982, pp 70-75

2. Thomas Macklin, op. cit., pp. 48-49

They are in the main bureaucrats and they "have no systematic theory of human behaviour". He is highly critical of the personnel function and of inadequately trained personnel executives in general. He was one of the first to note the difference betwen the personnel function and human resources. Few companies have been able to integrate the personnel function well and according to Levinson, sociologists and teachers in business administration have described the position of the personnel department as being ambiguous: "in the organization but not of it".[3] Consequently, some companies have divided their personnel responsibilities; one to deal with personnel matters, the other to concentrate on employee development.

.03 The emergence of the human resource development function

As a consequence there has developed an entirely new functional entity known as human resource development. This function has either been a spin-off from personnel or a new one created to encompass the burgeoning tasks relating to human relations. This human resource development function, a notion of some ambiguity is vying with personnel for recognition and position in the corporate establishment. The idea of human resource development has arisen from management's growing awareness of the importance of the human element in work. This change in management direction started in the 1960's which emphasized the human resources concept in managing people through a more democratic approach. Based on the research work of McGregor and Likert it was a radical departure from the traditional management thought and

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3. Harry Levinson, The Exceptional Executive, (New York: Mentor Book -
    Now American Library/Times Mirror, 1968) pp. 260-274

practice of the time.[4-5]   Human resources as it is generally known, aspires to have all employees share in issues that involves them directly and to have participation in decision making at all levels.   It seeks to tap each and every employee's talents and creative abilities.   Its aim is to encourage the employees to exercise self direction and self control as they develop and show greater insight and ability.

In keeping with this philosophy Hertzberg brought a new perspective to management theory.   He made a distinction between motivators and satisfiers.   It was his contention that wages, surroundings and quality of supervision were satisfiers while challenges and responsibility were motivators. Combining motivators with satisfiers would optimize performance.[6]

There evolved from all this research the concept of human resource development a term first used by Nadler.   In its original sense it centered on training, education and experience.[7]   The accent on learning to adopt human relations theories to the workplace undoubtedly prompted the notion of human resource development.   But recently it has become a convenient repository for all human relations activities.   Such activities as

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4. Douglas McGregor, The Human Side of Enterprise, (New York, McGraw-Hill Book Company, Inc. 1960)

5. Rensis Likert, New Patterns of Management, (New York, McGraw-Hill Book Company Inc., 1961)·

6. F. Hertzberg, "Work Relations or Human Resources?," Harvard Business Review, July-August 1965, Vol. 43, No. 4, p. 163

7. Nadler, op. cit., Developing Human Resources, 2nd Edition (Austin, Texas: Learning Concepts 1979)

organization development, quality of work life, quality circles, wellness, fitness, addiction counselling, estate planning, stress management and many more have been added to the human resource development function. Ted Mills discusses this phenomenon and the increasing concern and attention that business is giving to all human factors as they relate to performance and productivity. He draws a distinction between the personnel function which is mainly concerned with employee relations and human resource development which he describes as a movement characterized by a significant change in management philosophy. Mills chooses to call it simply HRD and he has prepared a glossary of common HRD terms: industrial democracy, job enlargement, enrichment, redesign and rotation, organizational development participation, participative management, productivity, quality control circles, quality of work life, and sociotechnical systems.[8] And so initially, human resource development, involved the developmental aspects of education and training but latterly has come to embrace the widest aspects of work life based on the principles espoused by behavioural science and the human resources school, but Miles warns:

> "There is no quick and easy answer...that the human resources
> model is more adaptable to and more easily applied with some groups
> than with others...the human resources model...cannot be put into
> full-blown practice overnight in any situation, particularly where
> subordinates have been conditioned by years of traditional or pseudo-
> participative techniques of leadership."[9]

8. Ted Mills, "Human Resources Why the New Concern," Harvard Business Review, March-April 1975, Vol. 53, No. 2, pp. 120-134

9. Raymond E. Miles, "Human Relations or Human Resources?" Harvard Business Review, July-August 1965, Vol. 43, No. 4, p. 163

.04 The impact of human resource development on learning activities

As companies gradually moved in the direction of the human resources model a dichotomy has developed in the personnel function. Human relations had traditionally been a responsibility of the personnel department, but human resources as a new management concept appeared to be misplaced as it sought to change the manner of managing. The implementation of the human resources model required massive doses of training and education. At the same time it brought about a major shift in training, from a function largely devoted to teaching new skills, to one devoted to imparting a knowledge of the behavioural sciences and people skills.

HRD has mushroomed into a bewildering number of activities, many that were once personnel activities have now become an HRD responsibility. As yet there is no clear indication of which function, personnel or HRD will prevail as a major administrative responsibility. Although HRD is very much in the ascendancy, personnel is tenaciously holding its own and most personnel departments are trying to retain their stake in HRD.

.05 Organizational status and authority of personnel

There are two recurring themes in the literature on human resource development and personnel. The first is lack of positional definition or homelessness of the position in many companies. While this is truer of human resource development than it is of personnel which has held a tradi-tional place in the organization, with the acquisition of HRD operations it

too is finding its organizational relationships obscure. The second theme is the lack of authority and power that both personnel and human resource development people possess.

There are a number of possible reasons why this is so. Personnel has not been reckoned a major executive function because its authority and responsibility were indirect. But Levinson points out, as human resources planning and development become ever more important the exercise of authority indirectly is wholly inadequate for the implementation and establishment of sound human resources programs. Much of it cuts directly across organizational lines making it necessary to have a source of direct influence or control over line management responsible for the programs in their departments. Although titles range from vice-president, personnel, to personnel director, these individuals have very little power within the organization and were and possibly still are the poorest paid executives. Levinson suggests that these executives must not only be professionally trained with a background in the behaviourial sciences but must have the ability to diagnose the organization in its totality. Equally important, the personnel executive must have the power within the organization to carry out the human resources functions.[10]

As Levinson puts it:

> "The chief executive must therefore not only demand a higher level of performance from the personnel executive, but he must simultaneously

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10. Levinson, op. cit., pp. 260-267

make it possible for such performance to occur. As in other work rela-
tionships...., the two are engaged in a task in which they need each
other and the organization needs their combined talents."[11]

Foulkes echoes much of what Levinson says in his article on the expand-
ing role of the personnel department. He too emphasizes the requirement for
positioning the personnel function at a level where it is able to affect
company policy.[12]   Furthermore, it should "be a strategic and assertive
one".   Not only should the personnel manager be involved in long range plan-
ning but be supported and aided by the chief executive.[13]

.06 Executive status required for personnel function

According to Foulkes it is necessary that the personnel function have
executive status with the means and authority to implement sound and crea-
tive programs. In order to bring the maximum power of the organization to
the function a number of large companies have indeed made personnel a senior
level executive function. Foulkes lists a number of human relations activi-
ties as being personnel reponsibilities such as attitude surveys, communica-
tions, work life, career planning and development, salary administration,
benefits, and supplementary uses of facilities, but he omits education and
training![14]

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11. ibid, p. 274

12. Fred K. Foulkes, "The Expanding Role of the Personnel Function,"
     Harvard Business Review, March-April 1975, Vol. 53, No. 2, p. 73

13. ibid, p. 75

14. ibid, p. 79

In the case of human resource development or HRD, Nadler has raised the question of where the authority and responsibility for human resource development should lie in organizational terms many times. In his book on human resource development, he asks:

> "Which job is to get done? If it is merely to support the personnel function, then to pursue this function is indeed a waste of time. If the development of human resources has become something different from the traditional personnel function then placement within the organization needs to be reexamined. Operational placement is crucial in terms of who the HRD director reports to within the organization"[15]

Five years later, he is still seeking an answer and in 1979 he poses it as a research problem.[16-17] Although the implication of HRD as the medium for combining "interdependent social and mechanical systems" and is equated with the nature of work itself, is not of concern here, its place in the organizational hierarchy is of major importance as one of its principal functions is still education and training. HRD remains somewhat 'in limbo and has not yet been accorded a position of any significance in the organization. It is "searching for a corporate home". Mills does acknowledge that in a few instances it has been given executive status but these are the exceptions and not the rule. Nevertheless, there is evidence in the/

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15. Nadler, op. cit., Developing Human Resources, p. 169

16. Nadler, op. cit., "Implications of the HRD Concept," Training and Development, Vol. 35, No. 6, June 1981, pp. 12-22

17. Leonard Nadler, "Research: An HRD Activity Area," Training and Development Journal, Vol. 33, No. 5, May 1979, p. 62

literature that it is starting to receive top management endorsement and an increasing number of companies have appointed human resource committees.[18-19-20]

Notwithstanding these developments, the slotting of the human resource development function in most organizations remains largely unresolved. In the majority of companies it is still subordinated to the personnel function. Some authorities claim that the important thing is to get the job done, not to worry about positioning the function. The only thing wrong is that this claim has no evidence to support it and it runs counter to contemporary research in organizational behaviour. In order to get the right job done, the right job has to be determined. Most agree that the personnel function differs from the human resources function. Who then determines what the right job is? Therefore says Nadler, if the two functions differ then it becomes necessary to set up a human resources department as a distinct and separate responsibility.[21]

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18. Mills, op. cit., p. 123 and p. 125

19. "Training Talks to the Top", Training/HRD, Vol. 18, No. 10, pp 40-44, October 1981

20. James R. Nininger, "Human Resource Priorities in the 1980's" The Canadian Business Review, Winter 1980, p. 12

21. Nadler, op. cit., Developing Human Resources, p. 169

.08 Organizational status of training and education

This leaves the education and training function in something of a quan-
dary. The question that now must be answered is where should training and
education be placed and in general all formal learning activities within a
company? A common solution has not as yet been found. They are either
linked to personnel or HRD and no two companies have placed the HRD function
in the same position.[22] If it is impossible to place human resource deve-
lopment in the hierarchy, how much more difficult is it going to be to slot
educational activities? Tracey, in his textbook on training management,
avoids any mention of human resource development and restricting himself to
training and development places the training function at a senior management
level. In the example cited by Tracey the manager of training and develop-
ment reports to the vice-president of personnel. This is equivalent to a
third level position. Furthermore, Tracey's summary of responsibilities and
job description for a training manager and his illustrations of typical
organization charts for training departments of different sizes would
certify to its senior status.[23]

But, Odriorne would disagree with this. Training should report to any-
body but the personnel director. However, because of legislative changes in

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22.   Mills, op. cit., pp 122-123

23.   Tracey, op. cit., Chapter 4

employment law, he has modified his opinion.   He suggests instead that
personnel report to HRD![24]

Elsewhere in the literature there is only occasional mention of where train-
ing and the educational function should be placed in the organization and to
whom it should report.   Johnson has the training manager report to the human
resources officer, while the committee for management training and develop-
ment has either the head of the company or a senior executive take responsi-
bility for management training.[25-26]

.09   Reasons for non-status position of training and education

There are many reasons why training and education has not acquired a
more senior status in the hierarchy, not the least being the general incom-
pétence of the average training manager.[27]   But there are equally valid
reasons which hold true not only for training and education but human re-
source development as well.   Essentially they revolve around senior manage-
ment's ambivalent attitude over their worth.

24.   Ron Zemke "George Odiorne: Father of MBO", Training/HRD, Vol. 18, No.
      10, October 1981, p. 68

25.   Richard B. Johnson "Organization and Management of Training" Management
      Development and Training Handbook, Editors: Bernard Taylor and Gordon
      Lippitt, (London and New York: McGraw-Hill, 1976), p. 2.5

26.   "Management Training and Development Committee," An approach to the
      Training and Development of Managers, (London: Ministry of Labour,
      1968), 2nd printing, p. 3

27.   Bob Jones "A Caution Signal for HRD," Training and Development Journal,
      April 1981, Vol. 35, No. 4, pp. 42-46

Although most writers on the subject have noted the importance of education and training to organizational design and management strategy, one reason why educational activities have not emerged as a major executive function and possibly the most important one is the chief executive's attitude.

> "The degree to which training and continuing education can be used effectively in any organization is to a considerable extent dependent on the management perspective of the chief administrator for he, more than anyone else, sets the tone and philosophy of the organization. In some instances management is perceived as the controlling of human energies; in others it is seen more as the development and releasing of human energies to accomplish the organization's goals."[28]

In addition there are a number of other reasons why education, training and learning activities have not been recognized as a major executive function.

One reason may derive from the fact that it's importance to the organization has simply been overlooked by management or has been given a very low priority. Tirrell and Cowell contend that one of the major problems encountered by human resources programs is the insufficient allocation of money, people, time and facilities because management cannot assess its return on investment.[29] Morris expresses this same idea from the standpoint of education and training:

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28. Daniel S. Schechter & Thomas M. O'Farell, Training and Continuing Education, (Chicago Ill: the Hospital Research and Educational Trust 1970), pp. 1-2

29. John A. Tirrell and Thomas H. Cowell, "Human Resource Development - A Mushroom?", Training and Development Journal, Vol. 35, No. 3, March 1981, p. 22

"The business world on the other hand has always been very much concerned about the cost effectiveness of its own education and training activities. Unhappily, this interest has often been rather negative, mainly because senior managers have lacked personal experience of the problems of education and training, and have doubted its relevance and effectiveness."[30]

Another reason, cited by Bellman, is that management simply doesn't understand the human resource development function.[31] Yet another reason is its relationship with personnel which still remains in many companies an organizational stepchild, it too is treated similarly.[32]

.10 Reasons for lack of authority in human resource positions

The second theme is really an extension of the first. A major complaint of all human resource managers including personnel, human resource development and education is the lack of authority and influence that they have within their organization. While some of this has already been covered, there are some additional observations that should be made. Calabria relates how difficult it is for them to maintain their leadership among their peers and among other managers both at higher and lower levels. The main causes he cites stem from short career ladders, organizational politics and being placed in an advisory role and because they are staff

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30. J.F. Morris, "Education for Business and Management," Educational Research in Britain 2, Editors: H.J. Butcher, H.B. Pont (London, England, University of London Press, 1979), p. 227

31. Geoffrey Bellman, "Building HRD Models for Fun and Profit," Training and Development Journal, May 1981, p. 34

32. Levinson, op. cit., p. 260

they receive insufficient support from higher authority.[33] As the importance of the HRD function continues to grow, as it has been within the last five years, these issues should be resolved. With importance will come recognition, with recognition will come attention, with attention will come status and position.

Kanter has found in her studies on relationships within an organization that it is frequently the position not the person that determines the degree of power and authority that a manager can exercise.[34] The often repeated complaint that the HRD department has insufficient authority to carry through its programs and achieve objectives is partially the result of its position in the hierarchy.[35] The same thing may be said of education and training.

Another principal cause of powerlessness results from the fact that the HRD activity as well as education remain staff functions. For staff members to get things done frequently requires the use of someone else's authority but this may be difficult or impossible to obtain. As Kanter explains:

> "...working under conditions that can lead to organization power-
> lessness are staff specialists. As advisor behind the scene, staff
> people must sell their programs and bargain for resources that unless
> they get themselves entrenched in organizational power networks, they
> have little in the way of favors to exchange."[36]

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33. David C. Calabria, "Power and the Training Manager," _Training and Development Journal_, December 1980, Vol. 34, No. 2, pp. 54-56

34. Rosabeth Moss Kanter, "Power Failure in Management Circuits," _Harvard Business Review_, July - August 1979, Vo. 57, No. 4, pp.65-70

35. "How to Gain Organizational Power for HRD," _Training_, April 1977, pp. 104-111

36. Kanter, op. cit., p. 70

.11 The role of the training officer

Human resource specialists will therefore remain relatively powerless until both position and executive recognition are achieved. However, it must be borne out at this point that the literature refers to a training director, manager or officer. There are no references to a corporate educational administrator. The two are not identical. As exhibit 1 demonstrates, the role of training is undergoing quite a dramatic change and no two authorities identify the same set of major functions.

AUTHOR	Chaldfsky Ceclo (1975)	U.S. Civil Service Commission (1976)	Johnson (1976)	A.S.T.D. (1978)	White (1...
MAJOR FUNCTION					
EDUCATION & TRAINING	Learning Specialist	Learning Specialist	Keep up with education & training techniques	Determine appropriate training approaches. Design & develop programs. Conduct job/performance related. Conduct class room training. Research training field	Deliver Developm skills & Developm fessiona expertis and deve ing prog material
CONSULTATION	Consultant	Consultant	Consultant	–	
CAREER DEVELOPMENT	–	Career Counsellor	Develop and implement career patterns.	Career Counsellor	Advising ling.
MANAGING	Administrator Program Manager	Program Manager (added by Jorz & Richards 1977)	Structure training operation.	Manage internal and external resources. Manage the training	Manage t
BUDGET CONTROL	–	–	Employee operations analysis & cost reduction techniques budget control.	–	
ORGANIZATIONAL RELATIONSHIPS	–	–	Works with large number of people throughout the organization.	Manages working relationship with manager and clients.	Maintain tional r
MISCELLANEOUS	–	– Commission (1976)	Establish & maintain standards. Select, train and motivate. Evaluate performance. Assess manpower needs. Active professionally	Group and organizational development. Analysis needs. Self development.	Analyze

*Adapted from Diane Gayeski, <u>Educating The Training Professional</u>; Training and Development

E X H I B I T   1*

	A.S.T. D. (1978)	White (1979)	Nadler (1979)	Ontario Society Training & Development	YULE (1979)		
					Administration	Education	Public Relations
			Learning Specialist Curriculum Builder	Instruction designer	Administration	Instruction Material Development	
uca-	Determine appropriate training approaches. Design & develop programs. Conduct job/performance re-lated. Conduct class-room training. Re-search training field	Deliver training. Development of basic skills & knowledge. Development of pro-fessional skills & expertise. Designing and developing train-ing programs and materials. Research	Instruction Methods & material developer			Learning specialist	
	−	−	Consultant	Consultant		Consultant	
lement	Career Counsellor	Advising and councel-ling.	−	−			
ing	Manage internal and external resources. Manage the training	Manage training.	Administrator Supervisor on in-going programs.	Manager	Program administration Planning Facilities Administration		
ions re- ues	−	−	Arranger of facili-ties & finance.		−	−	
e num-hrough-ation.	Manages working rela-tionship with manager and clients.	Maintains organiza-tional relationships.	Advocate Change Agent		Organization Management	−	Internal Liason
ntain ect, ate. nance. needs. onally	Group and organiza-tional development. Analysis needs. Self development.	Analyze needs.	Developer of per-sonnel. Community realtions. Sti-mulatort expert.		Evaluation Needs Analysis	Evaluation Needs Analysis	Information Exchange External Liason

The role of training is pertinent to this study as it forms the foundation on which corporate educational administration can be built. Moreover, there is an absence in the literature on any reference to corporate educational administration. Referring to exhibit 1 of immediate interest is that of intra-company relationships as these form a critical element in administrative practice. Johnson, ASTD, White and Nadler all recognize its existence but describe it in different ways.

Without a doubt, there are common functions, but many others differ widely and the relationships between functions are ill defined. It is no wonder then that senior management has found it extremely difficult to assess the worth of training and education and to assign direct executive responsibility; a fact cryptically noted in Bellman's article on building HRD models:

> "Our common complaint is that management doesn't understand what our function is about"[37]

Nadler emphasizes that reporting relationships and position within the organization have a corresponding influence and power of authority throughout the organization. Simply, the higher the function is placed within the organization, the more will be its prestige and its activities will more readily be accepted by all operations of the organization. Every operation is touched by human resource development activities and it must be able to react to present, future and planned operations.[38]

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37. Bellman, op. cit., p. 31

38. Nadler, op. cit., Developing Human Resources, p. 170

Exhibit 1 also contains another interesting fact. That is the impor-
tance of the learning function to the position. This is also borne out by
many of the writers who have written on the subject of the compentencies
required by human resource specialists. Not only is learning theory common
throughout their work, but also curriculum development, instructional
design, evaluation methods and research methodology.[39]

An ASTD Conference on the academic preparation of the HRD professional
also concurs that a core element in the curriculum is adult learning and be-
havioural change based on adult learning. In addition, advancement in HRD
practice demands management and administrative skills, and should include
the academic foundations for career counselling and development, design tech-
nologies and professional self-development.[40]

There are also many books and articles dealing with managing the
training function. Tracey is probably the single, greatest authority on the
subject. His textbook "Managing the Training Function" is generally
regarded as the most authoritative on the subject. Although Tracey recog-
nizes the difficulties the training manager has in exercising authority out-
side the training department, his solution is one of co-operation, compro-
mise and persuasion, rather than direct control.[41] He doesn't go to the

39. Patricia A. McLagan, "The ASTD Training and Development Competency
    Study: A Model Building Challenge," Training and Development Journal,
    May 1982, Vol. 36, No. 5, p. 19-24

40. Elizabeth Olson, "Curriculum for HRD Practitioners," Training and
    Development Journal, Vol. 35, No. 7, July 1981, pp. 32-33

41. Tracey, op. cit., p. 194

extent of granting the training function executive status although he does combine the similarities of the controller's job to that of the training manager's. This is an interesting observation as a similar relationship in the two functions was uncovered by the executive in charge of training and education in the case study. Tracey also notes that training must be in concert with the company's present and future operations. Training must correlate, endorse and promote the policies and objectives of the company, aiming at all times to optimize the resources of the company. It must, Tracey says have "unity and purpose" with these goals.[42]

Again Denova in his book "Establishing a Training Function" lays down all the functions that are to be performed by a training manager or director but omits any mention of his span of authority.[43]

.12 Executive administrative tasks added to educational role

Another important fact is the shifting emphasis to administrative chores. In addition to being a learning specialist, the training director is becoming both an administrator and a consultant to management. The acti- vities of a training manager now include helping management diagnose and solve organizational problems. The keynote here is that the function and the particular competencies of the training manager are becoming more and

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42. Tracey, op. cit., p. 81

43. Charles De Nova, Establishing a Training Function, (Englewood Cliffs, N.J.: Educational Technology Publications, 1973)

more impŏrtant to senior management.[44]   With knowledge comes power and the training manager is moving in this direction.

The training professionals are also gaining status, recognition and authority from their involvement in manpower planning and development. This expanded function is bringing them into the inner conclaves of executive planning sessions and close association with senior management in follow up activities. In fact, it is becoming increasingly important for all involved in human resources to keep informed on all social, economic, technological and scientific developments not only within thier own fields but also those relating to their organization.[45]

However, no single development has had a greater effect on the status of the manager of training than the transition from purely training to the concept of human resource development. Human resource development involves every aspect of organizational life not the least important being strategy and long range planning.[46] The HRD head is a key player in these function.

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44. Gordon L. Lippitt and Leonard Nadler, Emerging Roles of the Training Director, Training and Development Journal, June 1979

45. Ronald W. Clement, James W. Walker and Patrick R. Pinto, Changing Demands on the Training Professional, Training and Development Journal, March 1979, pp. 3-7

46. D.E. Dimick and V.V. Murray, "Personnel Polciy as a form of Strategic Decision Making," International Studies of Man and Organization, Vol. IX, No. 4, 1979, pp. 78-99

.13 Growing importance of human resources functions

     The literature supports the contention that the human resources
functions are increasing in importance, that they are outpacing the
personnel function and that their activities are being recognized by a
growing number of organizations. With its growth in importance, it is
growing in stature to the extent that many companies now have executives
whose responsibilites include human resource development with a major
commitment to education and training.

     An indication of the trend that human resource development is taking
which is somewhat at odds with Mills, can be gathered from the articles
dealing with academic preparation for the field. The core programs are
adult education, behavioural science, organizational development, communica-
tions, business management and administration.[47] However, some would
stress one discipline over another. McAlindon stresses education, while
Levinson stresses applied behavioural science at the graduate level, while
others vacillate between the two.[48-49] The importance of training in
education, still appears to be the single most important discipline. Much
of the function revolves around educational methodology such as curriculum,

47. Olson, op. cit.

48. Harold R. McAlindon, "Education for Self-Actualization," Training and
     Development Journal, October 1981, Vol. 35, No. 10, pp. 85-91

49. Harry Levinson, "Executive Development What you Need to Know,"
     Training and Development Journal, September 1981, Vol. 35, No. 9,
     pp. 84-85

teaching, evaluation and particularly adult learning theory,[50] but it must be recognized that the educational function in industry encompasses not only training, but all aspects of education; education for professional certification, general academic education for degrees, diplomas and certificates, skill training, on-the-job training, career counselling and development, special education for alcohol and drug abuse, and possibly organizational development.

This section on the role of training cannot be complete without special attention being drawn to Yule's work on education in a business setting. From a study of a number of training managers he has classified all the activities undertaken by these managers on a day-to-day basis. It is an invaluable source of information for the student of educational activities within a company.[51] However, what activities are carried on in the performance of a responsibility need not be and frequently are superfluous to and not pertinent to the job.

There is also a tenor that can be discerned in the readings. Human resource development evolved from the training function. In turn human resource development emerged to embrace all human resource functions under an umbrella term HRD. In the process learning activities were submerged in a sea of human resource functions. Learning activities now appear to have

50. Gayeski, op. cit., p. 64

51. David Lloyd George Yüle, Management of Learning in Work Settings, Ph.D. Thesis, University of Toronto, 1979

come full cycle and in their own right and as a unique and separate function distinct from HRD and human resource development, are achieving if not executive office, then at least upper middle management status.[52]

.14 Organizational dynamics

Some mention should be made of organizational dynamics as they bear on administrative practice. Kanter's findings should be noted in the context of authority within an organization, namely that it is the position rather than the individual that often determines a manager's power base.[53] A chief executive can also be powerless if he or she lacks sufficient information and support. The best executives are therefore learning to remain approachable to those around them and at the same time to share power. In many ways the human resource development group are the eyes and ears of the internal organization and none more so than those actively engaged in education and training. The competent executive is coming to realize its importance to his or her successful management of the company.

Chief executive officers must rely a great deal more in their professionally trained staffs. Chief executives no longer have the knowledge or understanding of technical matters that their subordinates possess. These executives therefore depend upon and not infrequently defer to their subor-

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52. Leonard Nadler, "Defining the Field - is it HRD or O.D. or ....?" Training and Development Journal, Vol. 34, No. 12, December 1980, pp. 66-68

53. Kanter, op. cit., p. 72

dinates' decisions.[54] Training and education officers are beginning to find themselves in this relationship with their immediate superiors. These executives are yet a minority, but there is ample evidence that their numbers are growing. As the literature bears out, the training and education function is and in many instances has expanded into the human resource function. With it, the training manager has moved, and the role of the manager has changed both in content and in importance. If it has not yet attained executive status the trends indicate that it is headed very swiftly in that direction.[55]

.15   Matrix structures

On this subject of organizational dynamics, structural innovation is always a possibility and in this respect there are a number of excellent articles on this topic.[56] One in particular discusses the use of dual and triple hierarchies and these may be possibilities with the educational

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54. Edgar H. Schein, "Increasing Organizational Effectiveness through Better Human Resource Planning and Development," from Management Preview, Strategies for the 80's. A Collection of Reprints from the Sloan Management Review, Massachusetts Institute of Technology, 1979, p 20

55. John P. Kotter, "Power, Dependence and Effective Management," Harvard Business Review, Vol. 55, No. 4, July-August 1977, pp. 125-136

56. Prescriptive Models of Organizations, Editors: Paul C. Nystrom and William Starbuck, Studies in Management Series, Vol. 5, Editor: Martin K. Starr, (Amsterdam, New York, Oxford: North Holland Publishing Company, 1977)

function in business.[57]   No reference on this subject would be complete

without mention of Mintzberg's definitive work on organizational design.[58]

And lastly, there are hundreds of articles on matrix management but for the

uninitiated the articles by Wright in the Management Review and Davis and

Lawrence in the Harvard Business Review give very clear and concise over-

views of this subject.[59-60]

.16 Steering committees and task forces

Lippitt suggests that a matrix structure would probably be a preferable

model for human resource practitioners to operate in, but there is nothing

in the literature that would support this contention.[61]   There are however

some articles on task forces and steering committees which are akin to

project management.   Their advocates are of the opinion that they are

57. Janet Schriesheim, Mary Anne Von Glinow and Steven Kerr, "Professionals
     in Bureaucracies: A Structural Alternative" Prescriptive Models of
     Organizations, Editors: Paul C. Nystrom and William Starbuck, Studies
     in management Series, Vol. 5, Editor: Martin K. Starr, (Amsterdam, New
     York, Oxford: North Holland Publishing Company) pp. 55-69

58. Henry Mintzberg, The Structuring of Organizations, (Englewood Cliffs,
     N.J.: Prentice Hall Inc., 1979)

59. Norman H. Wright, Jr., "Matrix Management", Management Review, Vol. 68,
     No. 4, April 1979, pp. 58-61

60. Stanley M. Davis and Paul R. Lawrence, "Problems of Matrix
     Organizations, Harvard Business Review, May-June 1978, pp. 131-142

61. Dave Jamieson, "Developing HRD and OD: The Profession and the
     Professional - A Dialogue with Gordon L. Lippitt", Training and
     Development, Vol. 36, No. 1, January 1982, p. 25

invaluable in assuring that training and development are consistent with organizational goals.[62-63-64] They have another advantage in that they promote continuing interest and support throughout the managerial ranks.[65]

.17 Industry-university co-op developments

Business-university co-operation is another theme on which there are a growing number of articles appearing. The American Council on Education has a task force to study its implications. The most authoritative articles have appeared in ASTD's National Report and the subject does appear occas-

62. Richard A. Headley, "How to Design a management Development Steering Committee", Training and Development, Vol. 32, No. 6, June 1979, pp. 3-6

63. P.R. Beavan, G.J.L. Green, J.G. Russell, "Developing a Strategy for an Industrial Training Board - A Participative Approach" Long Range Planning, Vol. 12, February 1979, pp. 41-55

64. Peter F. Oliphant, "Task Force Management: a way to Tackle the Human Problems.", Canadian Business Magazine, September 1973, Reprint No. 7309

65. "Patterns of Effective Inservice Education," Florida Department of Education, Tallahassee, Florida, 1974, p. 20

sionally in professional periodicals.[66-67-68-69]   There are as yet no clear cut patterns emerging.

In concluding this review of the literature it must be stressed once again that neither the concept nor the function of corporate educational administration is to be found in the literature.   Learning activities are not solely training.   They embrace such areas as career education, co-operative education, professional accreditation, executive education, management development and so on.   At present these activities are spread among many departments including training and personnel and if one exists the human resource development department.   At times they can be and are the responsibility of line management.   But there is the growing realization by management that a more cohesive and organized approach to education must be taken.   It is hoped that data gathered from this research will point the way.

66.   ASTD, National Report, Vol. 7, No. 1, January 9, 1981, Vol. 7, No. 7 April 3, 1981; Vol. 7, No. 12, July 13, 1981; Vol. 7, No. 17, Vol. 7, No. 19, October 31, 1981, Nov. 20, 1981, etc.

67.   Donald D. French and Theodore F. Gautschi, "Maintaining Professional Vitality Through Continuing Education" T.A.P.P.I. Magazine, Vol. 58, No. 8, August 1975, pp. 162-164

68.   Roman Hohol, "Interview with Doctor Marden", Canadian Pulp and Paper Industry.

69.   James W. Wilson, "Models for Collaboration: Developing Work-Education Ties", (Boston: Cooperative Education Research Center, Northeastern University and ASTD, August 1980)

C H A P T E R 6

THE CASE STUDY

Background to the Case

.01 History

On January 1st, 1978 two of Canada's largest chemical distributors, Amalgam Limited and United Chemical Incorporated, amalgamated to form a new company, United Amalgam Chemicals Limited, which was shortened to U.A.C. Ltd. The amalgamation was brought about by the principal shareholder of both companies as a number of profitable joint ventures and synergies were seen to exist.

Both companies had been long established. Amalgam Limited began business prior to the first world war and United Chemicals had its origin in the late 1920's. Each company was itself the product of a number of combinations and acquisitions of other small chemical wholesalers, agents and distributors. United Chemical also had a manufacturing operation in Valleyfield. The merger of Amalgam and United made it the largest distributor of its kind in Canada with sales in excess of 250 million dollars and over 1,500 employees.

Amalgam Chemicals had had a history of strong consistent growth during
the postwar period matched by excellent profit performance. Measured in
terms of return on investment it consistently outperformed its competitors
as reported in the trade press. Although very young, averaging 38 years of
age, its executive staff was considered both sound and dynamic but it was
recognized that it lacked depth.[1]

Steps were being taken to improve this situation with the establishment
of an internal consulting group known as the Business Assist Group. This
unit was to comprise no more than four senior staff members who were con-
sidered as having executive potential. It was to provide four essential
functions: one, it would provide an opportunity for the member to study,
learn and become familiar with all aspects of the company; two, it would
bring to bear exceptional expertise and knowledge on special projects;
three, it would give the management committee an opportunity of appraising
each member's potential; four, it would provide a source of executive
talent.[2]

During the period 1969 to 1974, Amalgam grew substantially by acquisi-
tion and aggressive marketing. By the end of 1977, it had two major divi-
sions, one located in Montreal, the other in Toronto and branch operations
in Halifax, Quebec City, Ottawa and Winnipeg. A division was classified as
a distribution complex with over 150 employees, while a branch was a much
smaller operation with no more than 50 employees. Divisions were headed by

1. Struthers, Report to Directors, February 21, 1978, p. 3

2. Interview: Struthers - June 30th, 1978

vice-presidents and branches by managers. Amalgam concentrated on the pure and organic chemical markets and rarely ventured into non-related areas. When it did, it was only in a very limited way. When a venture proved in any way unprofitable, it was quickly terminated. As one of the executives stated, they were low risk takers.[3] Amalgam over the years, developed a well thought out corporate philosophy on their basis of operations. This was of inestimable assistance in defining their policies towards the four cornerstones of their business: employees, suppliers, shareholders and customers.

United Chemicals was also a chemical distributor, but not in direct competition with Amalgam. The basis of its business was enzymes, synthetic resins and industrial chemicals. At the time of merger it had 14 distribution centres of branch size in St. John's Newfoundland, Saint John, New Brunswick, Quebec City, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Edmonton, Calgary, Vancouver and Victoria. In addition it had a fairly large and profitable manufacturing plant in Valleyfield.

In contrast to Amalgam Limited, United's senior executives were approaching retirement, and replacements were being sought for them. United's operation was national in scope, whereas Amalgam's was not. This was to have very important consequences for training and management education in the future.

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3. Proposal to "Establish an Internal Consulting Group", **Minutes:** Management Committee, January 8, 1978

As both operations had a common parent, many advantages were foreseen for merging the two companies. The problem of replacing United's retired executives was solved by Amalgam's youthful management cadre who had a proven track record. Business expansion and activity were increasing tremendously in the west and United's branches gave Amalgam access to this most dynamic market. United's manufacturing plant also decreased the dependency on outside manufacturers and suppliers. Other savings were anticipated in staff, management systems and computerization.

After a great deal of thought, Montreal was chosen as the site for the head office. It was felt that communication with such a large body of francophone employees would be easier from Montreal and bilingual support staff easier to obtain and maintain.

Combining head office operations meant a rationalization of staff at all levels. Liberal retirement allowances were offered and most senior managers approaching sixty-five took early retirement. The United Board was dissolved as it was only an inside board; that is all board members were employees of the company. The Amalgam Board was retained as the official board of the new company. It was comprised almost entirely of outside members who provided management with a wide variety of business knowledge and expertise.

.02 The newly formed corporation

As the president and the chief financial officer of United took early retirement, the board appointed J.R. Struthers, President and M.T. Chester, Vice President-Finance of the new company which were the same positions these men held at Amalgam. An interim organizational structure was established as shown in exhibit 2.

EXHIBIT 2

ORGANIZATIONAL CHART U.A.C.

U A C L T D.

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                    ┌─────────────────────┐
                    │ BOARD OF DIRECTORS  │
                    └──────────┬──────────┘
                               │
          ┌────────────────────┴────────────────────┐
          │ PRESIDENT AND CHIEF EXECUTIVES OFFICER   │
          │            J.R. Struthers                │
          └────────────────────┬────────────────────┘
                               │                          ┌──────────────────────┐
                               │ . . . . . . . . . . . . .│ DIRECTOR OF CORPORATE│
                               │                          │       PLANNING       │
                               │                          └──────────┬───────────┘
   ┌──────────┬────────────────┼─────────────────┐                   │
┌──┴───────┐ ┌┴────────────┐ ┌─┴────────────────┐           ┌────────┴───────────┐
│  VICE    │ │    VICE     │ │ CORPORATE        │           │BUSINESS ASSIST GROUP│
│PRESIDENT │ │ PRESIDENT   │ │ SECRETARY        │           │     Cecil Smith     │
│ADMINISTR.│ │  FINANCE    │ │SENIOR VICE PRES. │           │    Margaret Jobb    │
│Richard   │ │M.T. Chester │ │  William Black   │           │   Vernon Hamilton   │
│  King    │ │             │ │                  │           │     Paul Loser      │
└────┬─────┘ └──────┬──────┘ └────────┬─────────┘           └─────────────────────┘
     │              │                 │
 ┌───┴────┐  ┌──────┴─────┐     ┌─────┴────┐
 │PERSONNEL│ │   LABOUR   │     │ SPECIAL  │
 └─────────┘ │ RELATIONS  │     │ PROJECTS │
             └────────────┘     └──────────┘
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	EXECUTIVE VICE PRESIDENT	
	CHIEF OPERATING OFFICIER	
	R.J. Steele	

| VICE PRESIDENT BRANCH OPERATION Andrew Cox | VICE PRESIDENT MARKETING David Pratt | VICE PRESIDENT MANUFACTURE Malcolm Isaacs | VICE PRESIDENT TORONTO DIVISION John Williams | VICE PRESIDENT MONTREAL DIVISION Pierre Deguise |

R.J. Steele, the former Vice-President of Operations at Amalgam became the new Executive Vice President. The branch operations of both companies were grouped under a vice-president. This was a new position and one of the most critical as branch operations were key to the profitability of the new company. This important post was given to Andrew Cox who had been Vice-President, Marketing at Amalgam. The executive marketing position was chan-' ged to a staff function and line authority over sales was delegated to the divisional vice-presidents and the vice-president, branch operations. David Pratt, Vice-President, Marketing of United was appointed to this position. John Williams, Toronto, and Pierre Deguise, Montreal, remained as vice-presidents of their respective divisions. Malcolm Isaacs the former Vice-President of Manufacturing at United retained this position in the new company.

.03   Rationalization of administrative functions

The greatest changes that took place were those relating to the administrative functions. These responsibilities were split between the administrative vice-presidents in the original companies. Two positions were created. Administrative responsibilities were allocated to each position and the positions were designated: Vice-President, Administration and Senior, Vice-President. Richard King the Vice-President of Administration at United was appointed Vice President, Administration and William Black, Vice-President, Administration at Amalgam became Senior Vice- President.

A new position, director of corporate planning was established. Amalgam had been experimenting with short, long-term and strategic planning. Its importance to the company to chart its future growth and profitability with a great deal of precision and forethought had been realized recently and at the time of amalgamation the process was becoming formalized. It was decided that these functions be the responsibility of one person in the new company. As the position was a new one and as the functions had neither been clearly established or defined, it was not accorded executive status at the outset. The incumbent was to be at the senior management level but not a vice-president or an officer. The title given to the department was Corporate Planning. On the recommendations of the management committee, the Director of Corporate Planning was given responsibility for the Business Assist Group. Charles Peters, who had held a number of middle management posts with Amalgam and who had been involved with company planning at Amalgam was appointed Director of Corporate Planning.

King's, Black's and Peters' responsibilities all have a direct bearing on the case and it is necessary to expand upon them.

Both United and Amalgam had administrative executive positions whose responsibilities and functions were clearly defined. Although the titles were identical, there were significant differences in responsibilities.

EXHIBIT 3

COMPARISON OF ADMINISTRATIVE RESPONSIBILITIES

	UNITED (KING)	AMALGAM (BLACK)
Title	Vice-President, Administration	Vice-President, Administration & Corporate Secretary
Responsibilities	Personnel (benefits) Labour Relations Property General insurance Vehicle administration Corporate Training & management development	Pension administration Public relations & communications General insurance Vehicle administration Corporate secretarial Special projects

The amalgamation was seen to impose an extremely heavy burden and workload on administration as it was going to be necessary to merge benefits, salary and wage administration, personnel policies, pensions and so forth. The merger was going to affect the administrative functions more than any other.

Two of King's main responsibilities had been personnel and labour relations as United had bargaining groups. Amalgam did not have any unions and their personnel department was small, reporting directly to the president. On the other hand, United's pension administration was contracted out whereas Amalgam's was handled internally.

The positions were re-aligned based upon the knowledge, competencies and business experience of King and Black in respective areas. Responsibilities were divided as follows:

EXHIBIT 4

ADMINISTRATIVE RESPONSIBILITIES IN NEW COMPANY

	KING	BLACK
Title	Vice-President, Administration·	Vice-President, Administration & Corporate Secretary
Responsibilities	Personnel (benefits) Salary and wage administration Labour relations Property Management	Legal affairs. Pensions Risk management (insurance) Vehicle administration Public relations Special projects

At the outset training and management development were given a very low priority and had in fact been dropped from the original drafting of the job descriptions for King and Black. As will be seen from the case this situation was to change dramatically.

Peter's responsibility for corporate planning involved him in manpower planning, a fundamental element in corporate planning. Amalgam had in place prior to the merger a rudimentary succession planning procedure termed "T.R.P" an acronym standing for "to recognize potential." This feature of the corporate planning function would have a major effect upon the education function in the company in the future as it sought to identify the number of managers needed at any given time, the most promising candidates, their state of readiness and their developmental and educational needs.

The organizational structure was very complex but for the purposes of this study, it has been abridged. This explanation of the organization is

required as it is necessary to be familiar with it in order to appreciate
the case and to understand how the administration of training and education
developed.

The Case

.04   The need identified for management development

Prior to amalgamation, Amalgam's board established a "merger steering
committee" comprising three directors under the chairmanship of the
president.   The steering committee's mandate was to study operations at
United and to prepare a plan in depth to merge the two companies.   They
enlisted the help of the public auditing firm that served both companies and
the management committees of the two companies.   On July 4, 1977, they
presented a seventy page recommendation outlining a course of action which
was endorsed by the Amalgam board."[4]

In the preamble to the action plan, a number of major problems were
cited, two of which relate directly to training:

> ".....the backbone of our type of distribution business is the
> branch manager.   In this respect, we find a number of weaknesses at
> United Chemical.   There are many deficiencies noted in branch
> operations; management of assets as reflected in return on investment
> is poor, sales efforts lack direction and control, and employee
> turnover is too high.   While part of these problems are clearly
> inadequate control, supervision and guidance by senior management, it
> must be stated that a principal reason is due to a lack of sufficient
> management training."

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4.   Board Minutes' - Amalgam, July 11, 1977

and further on in the report:

> "......standardized operating and accounting procedures will require implementation and must receive priority.....on-the-job training will have to be instituted."[5]

A discussion on training and development that took place at the board meeting on July 11th, in response to these sections of the report is interesting because of its length and the time given to the subject. There was no doubt that the president considered training and development of managers as one of the most important factors in maintaining and building earnings. He strongly recommended that the new company commit itself to implementing at the earliest date possible a management development program that would concentrate on branch management initially and then be expanded for all managers up to but not excluding the senior level. The president also noted that by bringing together two relatively large companies, there would be opportunities to carry on formal training and educational programs on a continuing basis within the company, observing this had not been possible in the past as neither Amalgam nor United were large enough to carry on such programs on their own. This was as the president phrased it "just one of the many synergies" that would result from bringing the two companies together.[6]

In distribution operations United added greatly to Amalgam's national exposure. There were economies of scale and size; savings from combining systems and computer procedures as well as in head office operations. In addition, United brought with them a manufacturing arm which was in itself a

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5. "Merger Steering Committee" Report, July 4, 1977

6. ibid, p. 11

very profitable unit. It also gave a measure of control over supply, a very critical factor for chemical wholesalers as they are usually not protected by the manufacturer.

.05 Previous programs identified

Historically, both companies had attempted to carry on training programs. United had a very elaborate and costly sales training program. The previous year, it's management had instituted a C.V.A. program for all its managers.[7] One of it's major emphases was to develop people. How was not stated and therefore could not be considered in any way effective, but it did indicate intent.

Amalgam had a number of programs that had been in operation for a number of years which created an awareness for the need for training and development. One was management by objectives in which an action plan was set out. Where staff development was part of a manager's objective it was necessary to describe how that objective was to be attained and how it was to be measured in terms of success.

Another was the T.R.P. exercise and although it has been noted that it was conducted in a rudimentary fashion it pointed out the need to have available capable and skilled people for those positions coming vacant or new positions on the horizon as a result of growth and acquisition.[8]

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7. C.V.A. Critical Vital Activity

8. loc. cit., p. 70

Amalgam already had underway a number of management and sales courses. Twice a year, Kepner-Tregoe courses were held for 20 to 25 employees at the supervisory level and above. This course sought to teach rational techniques of problem solving and decision making. The Montreal division conducted the Xerox course on participative management. In addition to these were courses on sales training, such as the Xerox Professional Selling Skills course which was given to all sales personnel. Other more technical courses were given through a trade association. These dealt solely with technical matters and related technical problems.

Amalgam also had a formal on-the-job training program for all employees who were slated for sales. These employees would start in the warehouse and work as helpers in batching and laying out orders. This period would last for three months at which time they would move to the sales promotion and advertising department for six months. They were then assigned either to the purchasing department, the sales service department, or the data processing department where they would remain until a vacancy occured on the inside sales. On inside sales they could move through three levels to senior inside salesperson or two levels and then be transferred to outside sales. This program had worked quite successfully for Amalgam at the divisional level. It could not be implemented at the branch level as the branches were too small.

As Amalgam's head office was in Montreal, there were of course a number of language courses offered at various levels. It is interesting to note that these on the whole had not been too successful.[9-10]

At the first management committee meeting of the newly amalgamated company convened on January 4, 1978, the president tabled the steering committee's merger report. Because of the pressing urgency of merging systems and procedures, as well as resolving many difficulties that had arisen over leases, contracts and staff dislocation and relocation, the recommendation for management training received a very low priority. However, the president did ask the committee to review the recommendations on management training and be prepared to discuss them at the next meeting. He also asked King and Black to report jointly on "how to implement management training throughout the company."[11]

This report was presented at the second management committee meeting on February 14th, 1978 at which time, there was a great deal of discussion on the subject. The members had an opportunity of deliberating on the suggestions contained in the report and each one had a view to expound. There was general agreement that management training was required but no consensus could be reached on how it should be implemented.

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9.   Memo: Black to Struthers, April 14th, 1977

10. Interview: King, June 16, 1979

11   Minutes: Management Committee, January 4th, 1978

.05 Comparison between management training and management development

The report drafted by King and Black was fairly specific and detailed. They made a distinction between management development and management training and while management development involved management training, they claimed it embraced many more elements such as job rotation and experience in a number of different supervisory and managerial positions whereas management training was restricted to a more structured approach to learning. They commented on the executive administrative workloads and came to a conclusion that the establishment of a training department was not feasible at this time. They concluded their report by suggesting that for the time being, the divisions continue with their training programs and that employees at other locations be referred to these programs. Although head office was unable at this time to establish a training department, pressed by the president, King and Black agreed that head office might be able to develop a management training program for branch managers. Reviewing the workload of the various executives, the president proposed that this task be undertaken by the Special Projects department reporting to the senior vice-president.

.06 Program assigned and task force established

Black was therefore asked to assume the responsibility for the development of a branch managers' program. In order to assist him in developing this program, the president suggested that a task force be set up to define program contents. Black recommended that the task force work independently

of his department. This would permit two independent approaches to be developed, which could then be compared and the best approach adopted. This was agreed to, meeting dates were scheduled, the president himself was to be the chairman of the task force, and a final format for a training program was to be ready for presentation to the management committee on March 28th.[12]

A situation had arisen earlier with the Special Projects department to whom Black had delegated much of his work on job analysis and work standards. It became evident that the task was beyond the abilities and capabilities of this staff. It was far too difficult for them, as they lacked the necessary experience and training in this field. Black removed the work from the department and with the help of a part time assistant carried on the work himself.[13]

According to Black, a detailed and very specific job analysis was necessary to develop a course on branch management and neither he nor the management committee realized how difficult and time consuming it was. It involved organizational analysis, operations analysis and task analysis. It also required an understanding of the business itself and how it functioned. Black did not want to be misled by having the job analysis merely reveal what a branch manager was accustomed to do but he wanted to identify what tasks a branch manager should do and how they should be done in the most effective and efficient manner. Black wanted the training program to

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12. Minutes: Management Committee, February 14, 1978

13. Memo: Black to King, March 12, 1978

promote managerial competence and the application of the best management and administrative practices. Black updated the functional description of the branch manager based on previously prepared C.V.A.'s.[14]

.07 Analysis of a management position

The approach taken by Black was to analyze very carefully the branch manager's job. The duties or major segments of the work performed and the tasks or the sub-elements of a duty were collected, tabulated and graded in order of priority and time consumption. Data were gathered by analyzing communication flows such as reports and reporting procedures, by interviews with branch managers, by questionaires and by observation. The data gathering proved to be longer than expected and scheduled dates for reports to the management group and meetings were not met.

From the data assembled, major functions were isolated. The first thing Black did was to write up a general job description in which he set down as a general statement what a branch manager did on the job and attempted to describe in some detail the conditions under which the branch manager worked. From this general statement, he then broke down the major functions into duties and tasks. These duties and tasks were studied and analyzed by Black in an attempt to identify what skills, knowledge and personal attributes were needed to perform them.

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14. Interview: Black, January 15, 1981

A great deal of effort went into defining the major elements of the job concisely and some difficulty was experienced in action or activity terms. Every attempt was made to ensure that unusual or special conditions associated with a particular job were not overlooked.

The intent of the exercise was in Black's words, "to:

a. Define by priority the major functions of a branch manager's job.
b. Identify duties and tasks; namely the work components of the major functions.
c. Carry out a task analysis. A job description does not provide sufficient detail upon which to build a training plan.[15]
d. Identify and describe concisely each task and its frequency.

e. Place tasks in order of importance and priority.

f. Resolve skills, knowledge and personal attributes required to perform the functions of a branch manager."

A great deal of effort went into defining clearly the knowledge and skill content of each task. Many arguments appear to have taken place before a concensus was reached between Black and his staff, particularly the relationship between formal education and experience. A continual problem arose in equating the two.[16]

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15. Task analysis often revealed outdated and inefficient activities and work methods. An added value of Black's efforts was the opportunity it afforded management to streamline and simplify many branch procedures as well as discontinuing others that had fallen into disuse.

16. Interview: Black, January 15, 1981

From the job description that he developed, Black was able to define an optimum man profile for the job. He then set out to compare this profile with the individual profiles of each of the branch managers. From the comparison, he was able to assess knowledge and skill deficiencies of the incumbents. These deficiencies were broadly clustered into fairly general categories such as "inability to calculate return on investment" indicating a lack of understanding in finance and essential accounting principles. Illogical or poor assignment of sales territories implied a failing in marketing and excessive staff turnover was judged to be a sign of supervisory weakness.

.08 Course outline established

Black drew up a course outline as a basis for comparison with the recommendations that were to be forthcoming from the training task force. Meanwhile, the training task force was convened by the president. In addition to Struthers who acted as chairman, it consisted of Andrew Cox, the executive responsible for branch operations, Chester, the chief financial officer of the company, Steele, the executive vice-president, a member of the Business Assist Group, the Montreal divisional sales manager who had had a great deal of experience in selling through branch channels, and the Toronto-divisional personnel manager engaged in training at the Toronto division.

The task force identified supervision, operations and accounting as the principal functions of a branch manager. However, these areas were too

broad and needed a refinement in definition. The chief financial officer whose task was to review the operating and financial reports submitted by the branch managers, cited examples where many of the reports were incorrect. This was particularly true in reporting return on investment. In his opinion, the errors were the result of not clearly understanding the financial concepts of asset management. Furthermore, he stated that greater problems and difficulties were anticipated as the installation of new systems and procedures were in progress.

Supervision was another area which appeared weak as reflected in high staff turn-over. In most branches the average length of service was less than three years. It was Steele's contention that unless continuity was established at the branch level it would be impossible for the branch to operate at its maximum efficiency.

Marketing was another area singled out where branch management was regarded as being relatively weak. In surveying sales results and reports over a period of four years, Bishop, the Divisional Sales Manager, and Grant, a member of the Business Assist Group, were of the opinion that the sales and marketing efforts had been, at best, undirected and haphazard. They stated that it could be seen from the reports that sales efforts had not been organized along major market segments. Why the marketing effort had not been more organized was not wholly the failing of the branch manager. The fault of the branch managers to recognize major market segments within their territories and their failure to develop a marketing strategy of promotion and selling to penetrate them was not necessarily theirs, but

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rather central marketing's, in not giving sufficient guidance and training to branch management.[17] Moreover, it had been proposed and accepted that branch management was to play a much greater role in short and long-range planning. Thus the managers had to be able to assess the market accurately and be able to forecast, with some precision future sales activities and growth potential.

The operational base of the company was warehousing and distribution. Consequently, a thorough understanding of operations and distribution were also cited as being necessary to manage a branch effectively.

The task force submitted its findings to Black. These were compared with his analysis and they were remarkably similar in content. After studying the two outlines, it was decided to concentrate on financial and fundamental accounting practice, as these appeared to be the most critical areas and were the areas in which there was general agreement. Distribution concepts were more troublesome in resolving, as they touched on all areas of the business and the size of the branch or division dictated the form that operations took. Because of this diversity in operations, simplification was seen to be a difficult task, but its importance to branch management was

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17. There is good evidence revealed in notes taken by a member of the task force that a very heated argument took place on this point between the Vice President of Marketing and the Vice President of Branch Operations. The fact that this observation proved to be correct was borne out by subsequent research done on the marketing unit by the graduate student assigned to it.

paramount and therefore had to be included. There was no question that marketing was all important and ranked with finance in significance. It too was included.

It was also decided to include a unit on management by objectives, a management preoccupation from the president down.

When the final course outline took shape and the subjects had been selected, it became apparent that neither sufficient expertise nor staff existed within the company.[18] A number of packaged programs available from universities, colleges, and private training companies were examined. Some assistance was obtained from the National Association of Wholesalers, the American Society for Training and Development, and the Canadian Management Association. In finance, marketing and supervision, it was found that there were innumerable courses available both in Canada and in the United States. Many were investigated by Black. Those institutions offering the most promising looking courses were asked to send more extensive details on the course content. In every case they were found to be too general in nature and none related specifically to wholesale distribution. Furthermore U.S. courses had the added disadvantage in not relating to Canadian operating conditions. The company's operations and markets just did not parallel those offered in the courses. Moreover of great concern to management was the fact that none of these courses emphasized what they considered were the outstanding characteristics of its management, namely decentralized operations, with the accent on decision making at the lowest levels possible and

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18. v. Appendix A

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a profit sharing concept unique to its industry. This posed a problem that had not been anticipated. King and Black in preparing their joint report on training had assumed that a selection of outside courses would meet the company's training requirements for branch managers. In view of what had been learned about these programs they clearly did not meet the company's training exigencies. One solution suggested was to contract the complete program with an outside agency. A number of private organizations and colleges were contacted and asked to quote on a customized program. From the number of organizations contacted, three were selected as having the greatest merit and were asked to submit their proposals in greater detail. All were rejected as being beyond the company's means at the time, as quotations ran from $90,000 to over $140,000. The president requested Black to give the matter further study and to search out other alternatives.

.09 Co-op arrangement with university selected

After discussion with other training experts in the field, Black decided to investigate establishing a co-operative program with a continuing education department of a Canadian college or university. Discussions were entered into with a number of these institutions.

The best proposals were received from two institutions in Ontario and one in Manitoba. However, there was a serious drawback with these institutions in their inability to provide programs in both English and French. For this reason and the advantages offered in time and travel cost savings, a

Quebec institution was chosen. This avenue was found to be the most reasonable and estimates of cost were well within the company's cost considerations.

The proposal which was eventually accepted set down the main areas of university participation. The university would provide a senior member of its business faculty to supervise the academic portion of the program. Black's course outline, contained four main subjects: supervision, finance, marketing and distribution. On this basis, it was proposed that one graduate student, academically competent in a particular subject, be assigned to each subject. Their responsibilities would be to gather subject material for the curricula. The proposal contained a provision for four graduate students. The university would also develop the curricula and two curriculum designers were to be assigned to the whole program. Finally, the university would also provide business faculty members to lead the workshops.

It was agreed and so stated in the proposal that the company would be responsible for developing and drafting subject material on operations, company policy and systems and procedures.

.10 Workshop format chosen

For this type of program, the best delivery system in the university's opinion was through a workshop format. They estimated that the material could be covered adequately in a three day session. They did not expect to

have much work in developing written material as they intended to modify their standard short seminar courses which they offered regularly to industry to the company's specific operations.

The cost quoted by this university was $15,000 for services and $2,000 for materials. The company set the number of participants at any one program at twelve, and on this supposition, estimated that travel and hotel costs would be $4,000. The initial program was costed out at $21,000, while subsequent programs were estimated to cost $6,500.

A contract was drawn up and accepted by the company. Immediately on signing, the university assigned Dr. J.R. Mackenzie, Professor of Marketing, to head up their participation in the program.

A series of meetings, frequently many of them extending over ten hours, were held between Mackenzie and Black to organize the program. Initially, four objectives for the program were set:

1. To communicate and help provide an understanding of the new company's philosophy, basis of operation and policies.
2. To teach new procedures and systems.
3. To help improve branch management performance.
4. To instill a sense of professionalism in the manager.

The principal aim of these objectives was to increase return on investment, improve growth, attain greater market share and better quality of work life at the branch level.

.11 Method of collecting curriculum material outlined

Out of these meetings, an overall plan was drafted to gather subject material on which curricula could be based. Teams were organized by subject to assemble all pertinent material based upon Black's and the task force's identification of the major segments of a branch manager's job and their assessment of the branch manager's training needs. Each team was to be headed by a company manager specifically chosen for his or her expertise in a particular subject, supported by a graduate student, and other employees chosen to assist. Thus Dyson, who was a senior accountant, headed up the finance team and to assist him, he had an MBA student majoring in finance.

The teams were made up as follows:

EXHIBIT 5

CURRICULUM DEVELOPMENT TEAMS - BRANCH MANAGERS PROGRAM

	TEAM 1	TEAM 2	TEAM 3	TEAM 4	TEAM 5
	Marketing & related topics	Finance	Supervision	Distribution	Company Operations
Company Rep.	Brown, Sales Manager	Dyson, Senior Accountant	Meloche, Pers. Manager	Cutler, Bus. Assist Group	Black
Graduate student	Morton	Ferguson	Maxwell	Rolland	None

As the reports and material started to come in from the teams, it became apparent that it was going to be a much larger job than anyone had foreseen. Completely unexpected was the fact that much new ground was being broken. The marketing team found United Chemicals had never attempted to isolate and identify their markets. This meant that much research was required and a great deal of time was spent in delving into trade and asso-

ciation periodicals, questioning sales managers and surveying customers. In finance, nothing had been written on how to calculate return on investment or how to manage the principal assets of a branch, which are accounts receivable and inventories. Personnel policies and practices were under review and were undergoing change. These had to be rushed to be completed in order to meet the program schedule.

A review meeting was held a month later. Both Black and Mackenzie were in attendance along with the team leaders and the curriculum designers. It had become apparent that the work involved in putting the program together had been grossly underestimated, and that it was going to be a massive task to put it together. The contribution of each team was analyzed and team leaders were asked to forecast time and effort required to complete their assignments and present the material in a form usable to the curriculum designers. From the information garnered at this meeting, Black and Mackenzie re-estimated time frames and developed a critical path. Using this as their basis, instead of the original two months estimated to gather and compile material, it was going to take seven months. Secondly, the intention of covering the material in a three day workshop was found to be totally unrealistic. The reports given by each team indicated that there was just too much material to present in a three day seminar-workshop. Consequently, both the budget and the teaching methodology had to be revised and adapted to the realities of the situation.

.12 Correspondence section added to workshop format

The teams were instructed to continue with their work. Black and Mackenzie reviewed various alternatives and costed them out. The most cost effective alternative was to base the whole course on correspondance study accompanied at the end of the correspondance period with a five day work-shop. This meant that the participants had to be furnished with a great deal of text material, placing a very heavy burden on not only the curriculum designers, but also on the individual team members, as they would be expected to supply material that could be easily edited or condensed. Reviewing the critical path and the estimated content of each course, it appeared that the program would take at least 14 weeks for the average student to complete. Black and Mackenzie finally adopted sixteen weeks as being more realistic and convenient for the participant. It could not be overlooked that the participant was carrying on working during the day in a demanding and responsible position and conflicts were bound to arise because of vacations and holidays.

The budget was reviewed and a cost plus amendment was agreed to with the university. A memo from Black to the president implied that the cost of the program was likely to double.[19]

When Black presented the new format to the management committee, it did not receive unanimous approval. There was some hesitancy on the part of many of the members to have their staff work after hours on a company

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19. Memo: Black to Struthers, May 3, 1978

sponsored management program. However, when Black showed cost comparisons against bringing the participants together in one location in eastern Canada, for an estimated six week period that was estimated to be at least six weeks in order to cover all the material that was now being generated, they reluctantly accepted a program largely based upon correspondence study.

The following is an excerpt from Black's summary to the management committee:

"It has been decided to base the program on correspondance study because of the costs involved in bringing people to a central location and putting them up for an extended period. The mechanics are relatively simple. Text material is provided for each unit. There is a test at the end of each unit which the participant sends to the university for correction. The participant's problems and knowledge short-comings can be discerned from his homework assignments and additional material will be sent to the students if necessary to aid them in overcoming their difficulties which they are having. It is very similar to a private tutorial system run by many correspondance schools. This method also serves as a means of evaluating the clarity and the ease of understanding of the text and the examples contained in the text material.

In view of the fact that the major portion of the course is studying from printed text and as there is very little interaction with either other students or teaching staff, except through assignments, it has been recommended that the program incorporate a five day workshop. These recommendations have been costed out. The amount of material involved indicates that production costs will be at least double as there is additional support staff required to assist in the production of the material. A revised budget is estimated:

Curriculum and writing:	$20,000
Assembling and collating of material	$ 4,000
University faculty and staff	$ 6,000
Production	$ 3,000
Material Cost	$ 2,000

In order to curtail workshop-seminar costs, it has been decided to limit the number of participants to 12 as originally planned. But in anticipation of drop-outs, 14 will be signed up. It is suggested that during the workshop a number of exercises be given, including two

business games and that these should be worked on in teams. Having a complement of 12 participants, means that there are three teams of four. This has the added value of allowing each team to have a designated general manager, sales manager, operations and distribution manager and finance manager. For different games and problems, the team members will alternate in these positions. This gives each participant an opportunity of approaching the various problems from different managerial perspectives and affords each participant a learning experience outside his own immediate work-related experience. The total cost is estimated when all exigencies are added in to be $35,000."[20]

.13 Problems encountered with lesson units

Difficulties continued to plague the teams working on supervision and marketing. Marketing in particular proved troublesome. Market and market segments were extremely difficult to define. Market segmentation had never been adequately addressed in the chemical distribution industry and consequently much of what was developed for the training program was material of an original nature. That there was no substantial literature or prior research to draw upon occasioned excessive amounts of overtime to meet critical path deadlines. Furthermore, as the material came in it was in draft form requiring extensive rewriting and editing. Other complications arose with the financial section. While the accounting systems were well standardized, they were new to many of the branch managers as they had been instituted less than six months previously. It was thought best to provide as many examples as possible laid out in meticulous detail so that they could be easily understood and worked through on an individual basis.

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20. Black, Report to the Management Committee, May 16, 1978

Financial and operating reports were taken and dissected item by item. The method of calculating the results on each item were explained in the greatest detail. In addition, self-tests of calculations were considered all important. The team responsible for this unit met consistently over a period of five months writing and re-writing the material. Examples were clarified and many added. The unit was divided into easy-to-read sections. In the end eight sub-sections were developed for the financial section. Throughout each of the sub-sections students could check on their progress by means of self-tests at the end of every sub-section. Great attention was paid to sequencing and the student was unable to proceed to the next sub-section without a th orough understanding of the previous one.

As the financial unit evolved it became evident that the whole program was going to revolve around it, as it touched on all aspects of a branch or a divisional operation. Mackenzie realized that it was going to be necessary to incorporate elements of the financial section in each of the other sections in order to ensure complete continuity throughout the program. On his suggestion, Black formed a review committee for this purpose. Both Mackenzie and Black were members and the curriculum designers and members of the various teams were also included. In order to minimize time spent in meetings, only the team whose subject was to be reviewed would attend that particular meeting.

For future reference Black with Mackenzie's help formulated the follow-
ing flow diagram:

E X H I B I T 6

FLOW DIAGRAM FOR PRODUCTION OF BRANCH MANAGER'S PROGRAMS

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┌──────────┐
│ Course   │
│ Outline  │
└────┬─────┘
     │
┌────┴──────┐ 1   ┌───────────┐    ┌────────────┐   ┌──────────┐   ┌───────────┐
│Development│ 2   │ Review    │    │ Curriculum │   │ Text     │   │ Producers │
│ Teams     │ 3   │ Committee │────│            │───│ Writers  │───│           │
│           │ 4   │(Screening)│    │ Designers  │   └──────────┘   └─────┬─────┘
└───────────┘     └───────────┘    └────────────┘   ┌──────────┐         │
                                                    │ Media    │   ┌───────────────┐
                                                    │ Designers│   │ Delivery      │
                                                    └──────────┘   │ system        │
                                                                   │(Teaching Method)│
                                                                   └───────────────┘
```
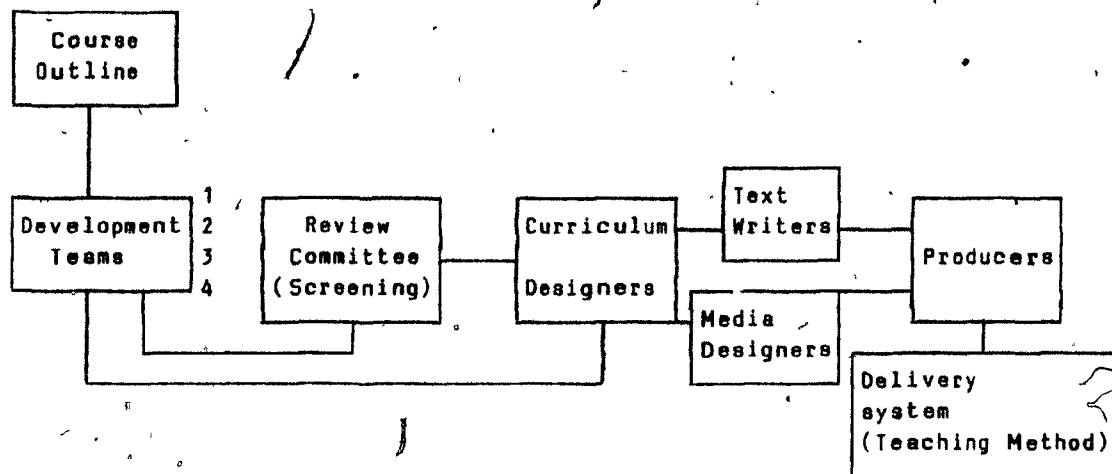
As the units took shape, they were in Mackenzie's opinion of a very
high calibre. The final drafts were well written, well illustrated and well
documented. There were over 2,000 pages of text, and the printed material
was well presented and attractively packaged.

A progress report, given to the management committee, elicited the sug-
gestion that the program should be designed in such a way so that each unit
of the course could be given separately to different groups of supervisors
and managers.[21] In this way greater use could be made of the program, the
cost could be spread over a much wider employee base and benefits would be
wider ranging.

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21. Minutes: Management Committee April 21, 1978

.14 Professional designation suggested

It was also suggested that this program be considered certification or accreditation to the professional designation of Branch Manager. This was both an unusual and interesting suggestion. From the discussion that followed the intent was clear that management wanted to instill the idea of professionalism in their managers and this might be one way to do it. There was another benefit; the recognition and status value such certification might bring.[22]

A general policy was also enunciated at this meeting. No manager could attend advanced management courses such as those put on by the universities without first having successfully completed the company's branch managers' development program.[23]

Black took these suggestions under advisement. Apart from the certification issue, Black was interested in getting some form of academic credit for the participants on their successful conclusion of the course. A number of the prospective participants were undertaking degree programs and it would be most helpful to them if they could obtain credits for in-house programs. The suggestion was turned down by the university as not meeting their academic requirements. Discussions at the very highest level of the university proved fruitless. They would under no circumstances grant any

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22. ibid, - p. 8

23. ibid - p. 10 - Also reiterated in the Company policy manual under "Training and Education"

academic credit notwithstanding the fact that Black offered them the opportunity of final approval on course content, setting the academic standards and sanctioning the final examinations. However, they did agree to issue a certificate from the department of continuing education to each participant upon successful completion of the course.

So distressed was Black over the university's rejection of giving academic credits that he launched an investigation into private institutions such as the General Electric Institute and the General Motors Institute. At the writing of this thesis, a proposal has been made to the board of directors that the company set up its own institute.

In his report to the directors, Black was very critical of the academic institutions. In his opinion they were refusing to meet the present reality of the workplace and were not meeting the needs of industry, or for that matter the workforce generally. Although the university was a partner in the present management program, it had been left to the company to do its own evaluation of the course, the assessment of the workshop leaders and the appraisal of the participants. The university had made no provision to do any evaluation whatsoever. According to Black by the company maintaining its own institute it would make it easier for its employees to obtain the kind and type of education they and management felt was necessary for their careers with the company. Communication with some U.S. universities indicated that degree credits could be obtained in their programs and Black reported on his correspondence with a number of them. To ensure academic respectability and credibility, Black set out the following policy guide-

lines for all courses that might be accredited by the company's institute:

a) A recognized educational authority would evaluate course content pass upon its academic standard.

b) This standard had to be of university level.

c) Testing had to conform to university practices and standards.[24]

.15 Private academic institution considered

Black's suggestion of a private accredited educational institution was met with a fair amount of skepticism. Both the management committee and the board were sympathetic to Black's proposal to create a company sponsored institution, but they felt it was both beyond the company's financial resources and staff capabilities. In addition a satisfactory return on investment would be extremely difficult to achieve. However there was general agreement that Black's proposal had merit and he was encouraged to pursue the matter further and report back to the committee at a later date. Although not a true academic institution as Black had conceived it, it was suggested that in the meantime the training and educational programs falling under Black's responsibility could be considred as emanating from the "management institute". The institute was in fact a paper organization. In time it was to become the centre for most of the company's learning activities.

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24. Black, "Report on a Company Management Institute" April 15, 1978

Black also expanded on the progress of the branch managers' program stating that it had been slow owing to a shortage of trade material to augment curricula in all subjects. Much of what was being developed was of an original nature. A revised schedule was presented and accepted.[25]

From the management committee's meeting of March 31st, Black took up with Mackenzie the suggestion of constructing the program in separate modules. No undue problems were foreseen except with the financial elements relating to each unit. After studying the problem, a solution was arrived at by producing a supplementary booklet explaining concisely the accounting interrelationships.

As the program neared completion, it became necessary to select workshop leaders. It was decided to use faculty members for the marketing, supervision and long-range strategic planning units, and to have company staff handle the finance and MBO units because of their familiarity with company practice. As the workshop was being organized, it was suddenly realized that the company staff involved in the workshop had never had experience in teaching much less teacher training. A crash program "Teaching the Trainer" was organized through the faculty of education of a local university for those staff members who were to act as workshop leaders. It proved to be an unqualified success and extremely rewarding to the staff taking it. As a consequence of this training, they were able to make certain significant learning improvements in their units, as well as modifying the workshop presentation to make them a more meaningful learning experience.

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25. Minutes, Management Committee, April 21, 1978

.16 Management program launched

Facilities were obtained at a local hotel for five days and the program
launched. Fourteen who had been selected by the management committee were
enrolled in the program and after a six month delay it got under way in
September 1978. A number of very difficult administrative problems were
encountered. It required a great deal of effort to monitor the material as
it was sent out, to have it mailed out on time, to follow it up with each
participant to ensure that the assignments came in on schedule and have the
university return the corrected work to the participant. The logistics were
very involved. Through trial and error, a procedure was developed that
worked moderately well, despite the fact that it added considerably to the
work of the secretarial staff. The program was well received, possibly due
to the advance publicity it had been given and its whole-hearted endorsement
by senior management. A great deal of attention had been given to communi-
cating the objectives of the course and it was made clear that the aim of
the program was to help each one make their job easier and to help them
prosper as a branch manager. Another quite serious problem that surfaced
was the dates set for the workshop period. These were set two weeks prior
to Christmas and it meant taking staff away from their families at a tradi-
tional family time. As the program was underway it was impossible to change
the dates but it was an error that Black and Struthers recognized. Black
noted the mistake in a memo to the president and that steps would be taken
to ensure that it would not happen again. It was found that timing was an
important factor in achieving success for in-house programs. As expected,
there were two drop-outs and the policy of over booking the course was con-

sidered well founded. Each unit was afforded one workshop day with finance given two evenings as well. As the holiday season was approaching and in recognition of the efforts expended by the participants, graduation exercises and a dinner along with diploma-giving were instituted. This was so well accepted by all and beyond anyone's expectation that it became an outstanding feature of future programs.

.17 Evaluation procedures needed

In order to improve the program in the future, each participant was asked, through the use of an evaluation form, to evaluate each section of the program, the curriculum material and the workshop leader. Based on these evaluations, a number of changes were made in the program. On the basis of subjective evaluation, the program was rated very successful. However, when the final cost was tabulated, it came to just over $42,000; $27,000 over what had been budgeted! Although the cost overrun was well documented, it showed serious misjudgment in estimating in-house custom tailored educational programs. In Struther's opinion there had to be a means of measuring the return on investment for such a large expenditure. Struthers reinstituted the task force on training and gave them the problem of developing a cost-benefit formula for training. After two lengthy meetings, they found it impossible to resolve. Struthers then asked Black to study the situation and report his findings on how in-service programs could be evaluated on a cost-benefit basis in the future.

In a report to the president in May, Black stated that the present state of evaluating management training was still very much in its infancy and no one best method had yet been developed. According to Black, the main reasons for the failure of the evaluation methods have been design shortcomings and difficulties in developing rigorous statistical methodology. Most designs are ex-post facto and these are statistically weak. Referring to a recent series of research projects on evaluation sponsored by the American Society for Training and Development Black found that they had been inconclusive and no satisfactory method had been revealed. One project failed to show an advantage for training because the control group and the newly trained group showed the same improvement. Another was unable to find any correlation between performance after training and a reduction in operating costs, while a third could not conclude their study because of faults in the training design. To measure management training effectively, it was stated that six prerequisite conditions must exist.

"1. Some unit of performance must be defined in measurable terms such as sales, return on capital employed, or investment, claims, staff turnover, operation costs, etc.

2. The manager must have a degree of control over this unit of performance. It must also be related to knowledge or a skill which can be identified, such as work scheduling, inventory manipulation, method of handling complaints, and so on.

3. The training program must be designed to correct specific skill and knowledge deficiencies which affect performance in defined areas.

4. Factors beyond the manager's control must be recognized and either corrected or accounted for.

5. The manager must be given every opportunity to apply new found learning which in turn must be reflected in measurable terms defined in the first condition.

6. The improved performance must continue over time."

There are, Black added, a number of contingencies which must be noted. Training without organizational support will have little or no affect. Training that is general as compared to training that is specific will have low if any revenue effect. Lastly, the economic effects of training cannot be gauged immediately as there is always a time lag for changes to develop.[26]

An interesting discussion took place between Struthers and Black as to whether or not examinations could be a means of evaluating a training program. It was Struthers feeling that testing in an adult situation was usually frowned upon and in the case of a company sponsored program, as this one was, it was feared that testing might have a very adverse and negative effect. In any event, Black pointed out that testing could evaluate the program from the standpoint of assessing its ability to impart knowledge to the individual but it need not have any relevance to the individual's performance. Essentially it was the individual's performance that the company wished to measure and to improve. The president encouraged Black to continue his attempts to establish evaluation procedures based on performance criteria. He was of the opinion that something was better than nothing.[27]

In order to develop a basis for evaluation, Black returned to the work that he had done on identifying the major functions of a branch manager's job. If the evaluation of the course was to be based on cost-benefit, it

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26. Black, "Report on the Effective Measurement of Training Programs", May 20, 1978

27. Interview: Black, June 19, 1979

therefore had to be based on performance and performance must be measured in terms of some comparative criteria. Furthermore, the criteria must be defined in such a way that degrees or differencies would be recognizable. For example, performance may be described as being good or bad, but this means nothing until good and bad are rigorously defined.

Black isolated the following operating statistics as performance measurement criteria.

EXHIBIT 7

CRITERIA-REFERENCED DATA

FUNCTION BEING MEASURED	SOURCE	BRANCH PERFORMANCE PRE COURSE	OBJECTIVE	VARIANCE	PARAMETERS	BRANCH PERFORMANCE POST COURSE
A. Supervision						
a) Employee Turnover	Termination Report					
b) Absenteeism	Absentee Report					
c) Productivity (# of orders per day)	Sales Report					
d) Safety	Safety Report					
e) Complaints	Credit Notes					
f) Reporting Deadlines	Schedules					
B. Financial						
a) Return on Investment	Financial Statement					
b) A/R Days Outstanding	Financial Statement					
c) Budget & Cost Control	Financial Statement					
d) Inventory Turnover	Operations Statement					
C. Marketing						
a) Sales	Sales Report					
b) Market Share	Sales Report					
c) Market Gain	Sales Report					

Although not statistically valid, Black felt that this was a starting point. In any case, large variations would be immediately noted and further more detailed investigation could be undertaken to assess more accurately the cause of the variation. It° was hoped that graduates of the program would show significant improvement over their past records and against objective. For the time being this performance evaluation procedure was

adopted and all managers both those who had attended the branch manager's course and those who had not would be evaluated against the criteria every six months.

Studying the evaluation reports made by the participants and reviewing the experience that had been gained through the first program, Black and Mackenzie uncovered a number of weaknesses that needed correction and that a number of improvements were necessary in many areas. The opinions of the participants were also solicited as to what they thought should be added to the program. There was general dissatisfaction with the management-by-objectives unit and it was suggested that it be redesigned and rewritten to be more applicable to the practice of branch management and to those areas over which a manager had control. Time management had been touched upon in this unit, and they recommended that this be expanded into a full unit as it was one of the greatest problems encountered by all managers. They criticized the marketing program as being far too general and not specific enough. The text and material had to relate more closely to the company's operations in the field and to the markets on which the company depended.[28]

In response to these evaluations and suggestions the marketing section was completely revised and rewritten with particular attention given to specific markets and marketing problems associated with the wholesale chemical business. Examples were drawn from actual case histories that had occurred in the company. Greater attention was given to the pricing function, its effects upon sales, profits and competitive activity.

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28. Correspondence: Black-Mackenzie, May 1,2, 1979

.17 Strategy and long range plans - implications

The company had recently embarked on strategic and long-range plan-
ning. The Business Assist Group had been given the responsibility of draw-
ing up the first version. Much of their efforts were given to research in
marketing actiyities. Markets were classified as stable, growing or dimin-
ishing and they were more clearly defined and categorized. This material
was invaluable to the redesign of the marketing unit.

From their work on marketing and on strategic planning, the Business
Assist Group suggested that the unit on planning incorporate strategic plan-
ning as well. As much of the strategy in planning had to be worked out at
the branch level, the Business Assist Group were asked to take on the task
of setting up a sub-section of the planning unit. Based on their own
research and effort in developing an overall company stratégic plan, they
were able to put together a very comprehensible, but at the same time a
remarkably condensed version involving only branch or divisional spheres of
activity.

.18 MBO implications

For many years, Amalgam's management-by-objectives program had been the
cornerstone of their management philosophy. It came as something of a sur-
prise and no little embarrassment to Black to find that the participants were
somewhat less than enthusiastic about this unit. Black personally conducted
a number of interviews to assess where the major criticisms lay. Based on

these findings a systems approach to MBO was adopted and the interrelation-
ships with the company's goals and strategies and long range plans were
expanded upon in greater depth. Means of establishing congruence between
all three activities were illustrated and programmed examples were
included. The number of exercises in goal setting techniques were increased
in order to gain greater facility in developing attainable objectives. The
use of MBO as a mechanism for feedback, a system of control and an appraisal
tool was explained in detail and finally a simulation exercise combining all
these elements tied the unit together as an integrated whole.

A module on time management was drafted. It incorporated a number of
typical situations faced by branch managers and managers in general. A num-
ber of standard texts on the subject were used in its design.

Those areas in the other units where the participants had demonstrated
that they had had difficulty or where the material was obviously misunder-
stood, were rewritten. Every effort was made to remove ambiguities and
every effort made to simplify, condense and clarify.

.19 Learning objectives - to be added to future programs

Learning objectives had been omitted in the first course. This was re-
garded as a very serious deficiency. Learning objectives were established
for each unit and sub unit and tests were rephrased to correlate with the
learning objectives.

As the marketing section was now much larger than it had been, and with the addition of strategic planning and time management as entirely new units, the course had expanded to over 2,500 pages of text material. The first class had difficulty in covering this material in the time allotted. A decision was reached to extend the home study period by two weeks and the workshop period by three days.[29]

During the free evenings at the first workshop, Black noticed that there was a great deal of discussion involving not only sports, but also politics. Many of these discussions were extremely interesting as they brought viewpoints from all across Canada. Black decided to invite a Canadian historian and a political scientist from the university to address the participants on two of their free evenings. This innovation was so well received by the participants that it was continued in future programs.[30]

.20 Second management program held

The second branch manager's program commenced on January 15th, 1979 and was completed on June 15th, 1979. Evaluation by participants of teachers and material left no doubt that it was a resounding success. Six months later, the performances of those branch managers completing the course as measured by Black's criteria showed positive gains for nearly every participant. Particularly gratifying were the results on return on investment and

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29. Memo, Black to Struthers, May 5, 1979

30. Interview: Black, June 15, 1981

staff turnover.[31]   However, there was no statistical significance attached to these results nor could there be.   Nevertheless, senior management were satisfied that the program had succeeded and had met the objectives that were set.   Black was instructed to continue the program for the remaining of branch managers and to have the program tranalated into French.   The major criticism voiced of the second program was the tremendous amount of writing that had to be done by the participants and the number of time consuming essays that were required.   Many stated that they had insufficient time to do justice to the course for this reason.   As a result of these findings, the post tests were completely revamped and most questions demanding essay answers were replaced by more objective ones.

.21   Inadequacy of workshop facilities

Another matter of some concern was that of workshop facilities.   The first program was held at a local hotel.   The meeting rooms were inadequate and the distractions associated with a downtown hotel detracted from a satisfactory learning environment.   The second course was held outside the city.   While the facilities were vastly superior to those of the hotel, workshop leaders found the travelling both unnecessarily exhausting and time consuming.   The company is presently searching for more suitable facilities that will accommodate all needs.

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31.   v. Appendix B

.22 Growth of interest in other programs and training department considered

The success of the branch manager's program coupled with the success of the teacher's training program brought both recognition and attention to the company's training endeavours. Throughout the balance of 1979 Black received numerous requests for other types of courses on safety, language and supervision. Requests came from the executive group, the personnel department and divisional managers. Some even originated from the personnel department for help in locating outside programs for specific individuals.[32]

Struthers questioned Black on the progress of the management institute concept and was informed that the project was in abeyance for the time being owing to workload and pressure. Struthers then asked Black to examine the feasibility of establishing a training department headed up by a training executive.

Black drafted a report wherein he stated that inservice training had three distinct functions, none of which were mutually exclusive. One dealt with teaching technical skills necessary to perform a specific task, another was to improve performance in managing and supervising and a third was to provide an adequate pool of talent for the company to draw on.

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32. From July 1979 to December 1979 over 35 interoffice memos requested information, assistance and help in management, supervision, selling and safety courses.

Training, continued Black, was one of the most important factors if not

the most important, in human resource development. To be effective, it had

to meet both the individual's needs as well as those of the company's. How-

ever, it is the company's human resource requirements, both in the present

and in the future, predicated on projected organizational changes, personnel

replacement and new technology that is paramount. These factors dictate the

type and variety of training that should take place. But, Black added, it

frequently goes unnoticed that training also has four other very important

attributes. Training can be a very powerful tool in promoting morale

throughout an organization. Secondly, it is an invaluable communication

medium for management. Thirdly, it can cultivate and sustain high levels of

motivation in periods of tight budgets and adverse economic conditions.

Fourthly, training as management strategy, develops human resources in a

manner most effective for an organization to achieve its objectives. Black

then went on to outline the major functions and responsibilities of a

company training officer.[33]

Black concluded by saying that the position was an extremely difficult-

one to fill. There are according to Black few qualified people available

and the position required a person of considerable personal stature, strong

analytical competence, great self confidence and an ability to win the con-

fidence of all levels of management. A major oversight in Black's reporting

was his omission of organizational relationships. Unfortunately he did not

say to whom the training officer should report.[34]

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33. v. Appendix C

34. Black: "Report on a Corporate Training Officer" September 28, 1979.

As the organization of the company was undergoing extensive modification and as there had been a number of problems arising from management's policy of expanding decentralization which required immediate attention, nothing further was done on a company training officer. The project was shelved for the time being. However, it was found necessary to act on requests originating with divisional sales managements and strongly endorsed by a survey conducted by Black for the construction of a product knowledge course. Struthers asked Black to study the possibility of such a project. Struthers asked for a reply in time for the October management committee meeting. It was to include fairly accurate cost estimates so that if approved at this meeting it could be included in the following years budget.

.23 Product knowledge course instituted

Black convened a meeting of head office merchandising staff and divisional sales managers to discuss the development of a product knowledge course. At this meeting and subsequent meetings the group classified material, products and end uses that should be included in such a course. It was an easier task than that of developing the branch managers' program as a number of foreign and domestic associations and manufacturers had established a variety of educational and training programs but none embracing all products merchandised by U.A.C.. Black appointed three of the group to act as curriculum committee and to screen the material as it was received. It was agreed that the target population would be all new employees involved in sales, marketing, purchasing and order processing. It would also include

all managers with less than three years service with the company, sales persons who had been identified as requiring a refresher course on products and sales persons who were moving from one sales category to another. A rough count of possible participants exceeded three hundred and seventy-five employees, two hundred and fifty were English speaking, while one hundred and twenty-five were French speaking. Broken down by geographic location there were: 25 in British Columbia, 22 in in Alberta, 3 in Saskatchewan, 17 in Manitoba, 161 in Ontario, 122 in Quebec, 5 in New Brunswick, 6 in Nova Scotia and 14 in Newfoundland. In each province the numbers were divided between the cities where the branches or divisions were located. Thus although there were 160 likely participants in Ontario, they were spread between Ottawa, London, Hamilton and Toronto, with the bulk located in Toronto. Based on the projected growth of the company contained in the long range plan, it was estimated that a minimum of one hundred employees could be expected to take the course each year thereafter. These too would be spread across the country and would also be a mixture of French and English. As a product knowledge course of this type was entirely new to the chemical distributing industry, a number of manufacturers' and associations' programs, limited as they were, would serve as useful guides.[35]

The amount of material that came in and accepted for inclusion in the course was extensive and voluminous. The curriculum committee did a masterful job in digesting and editing the material and putting it into manageable order. As they completed their work it was recognized that it was going to

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35. Black's Agenda and Minutes - October 4, 1979

be a lengthy course. The cost of producing such a program emerged as a deterrent.

. In surveying the student population, another problem was evident. The employees, in many cases, had only a moderate degree of schooling. This fact demanded that the written material be composed in simple, easily understood language, preferably in small, easily digestible units.

Various types of format and learning delivery systems were considered and most were rejected. It was cost prohibitive to have the students attend classes on a full time basis. Apart from the trainer and transportation costs being forbidding, the hidden expense of keeping such large numbers of employees off work precluded any consideration of this type of format. The correspondence format without the workshop, which had been so successful in the branch manager's program was considered but ruled out. Although practical from a cost standpoint, learning solely from written material was thought to be too difficult, too time consuming and too onerous for the majority of the participants with limited schooling. There were also cost implications for reprinting new editions of the text material in order to keep abreast of technological changes and it was acknowledged that of any industry the chemical industry was subject to change far more rapidly than most. Video taping was also considered but discounted as being too expensive.

To help him decide on a format, Black listed the main objectives of the program. These have been abridged as follows:

Primary objectives were:

a) The costs had to be acceptable to management.

b) The curriculum and text material had to be suitable for all partici-
pants, for warehouse personnel as well as managerial staff.

c) The instructional material had to have the feature of being easy and
inexpensive to revise and update in order to remain current.

d) It had to be available in English and French.

e) It had to be based on sound instructional methodology.

f) It would lend itself to normative and summative evaluation.
Secondary objectives were:

g) The course should not infringe on regular working hours.

h) The course should be manageable on the employee's own time.

.24 Audio cassettes with workbooks selected as instructional medium

After studying various alternatives, Black decided to recommend a for-
mat utilizing audio cassettes and workbooks. Black's research uncovered an
article in Adult Education on the use of audio cassettes in professional
training. While no method is without its drawbacks, audio cassettes, at
least met five of the objectives that he had set. As the article stated:

"Audio cassettes make learning possible on an individualized
basis, since the tape may be stopped and replayed to fit the needs of
the individual and compensate for differences in learner capabilities
and background ... audio cassettes can be used to reach a large number
of people over a large geographic area ...using cassettes, it is pos-
sible to reach individuals who cannot leave their work or family
responsibilities to attend on-campus programs."[36]

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36. James E. Muth, "Audio Cassettes as a means of Professional Continuting
Education for Pharmacists," Adult Education, Vol. XXIX, No. 4, 1979,
pp. 243-244 (Taken from Black's research notes)

To mitigate the disadvantages of one-way communication, a schedule was drawn up for a limited number of conference calls in each location to assist those students who might have difficulties. The workbooks were to be designed using both pre and post test features. They would also contain samples of common chemical products so that the student could see, test and feel the actual product. Black was aware that examinations could be a negative factor as most adult learners are very apprehensive of tests, none-the-less some means had to be established in order to evaluate the effectiveness of the program as a learning instrument and to assess the students' knowledge. One method proposed was through complete anonymity but after weighing all the advantages and disadvantages, Black decided to adopt regular examination procedures. In order to lessen the apprehension associated with testing priority would be given to briefing all participants carefully and completely before taking the course and everyone would be given every assurance that their results would be kept in the strictest confidence.

.25 Decision taken to contract product knowledge course

This program was entirely beyond Black's means to produce in-house. A decision to contract the complete program to an outside institution was agreed to by Struthers.

.26 Selection procedure for contractors

With the assistance of the curriculum committee, Black prepared a request to tender and sent it to an number of colleges and private companies.

As some American companies were included, he also took the opportunity of sending it to three U.S. colleges. The quotations ranged widely; a spread of over $75,000 separated the highest from the lowest bidder. Surprisingly, U.S. educational institutions were without exception cheaper than their Canadian equivalents, frequently by thousands of dollars. As the quotations were received the question arose as to what criteria should be used to judge the merits and competence of each bidder. The curriculum committee set forth the following as a means of judging each bid.[37]

E X H I B I T   8

M E A S U R E M E N T   C R I T E R I A   F O R   C O N T R A C T   A C C E P T A N C E

	Excellent	Very Good	Good	Fair	Poor
a) Total cost					
i) cost per lesson					
ii) cost of updating and revision	————				
b) Number of lessons recommended	————				
i) average length of lesson	————				
ii) estimated content based on length	————				
c) Samples of previous work					
i) quality of printed material, layout, etc.	—	—	—	—	—
ii) quality of audio	—	—	—	—	—
iii) quality of writing and language	—	—	—	—	—
iv) structural quality	—	—	—	—	—
d) Extent of formative and summative evaluation	—	—	—	—	—
e) Endorsement by previous clients	—	—	—	—	—
f) Academic qualifications of designers	Ph.D.		M.A.		B.A.
g) Production time	————				
h) Basis of guarantee for material					
i) Number of company personnel required					
i) for technical content	————				
ii) for liaison	————				
iii) for administration	————				

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37. **Minutes:** Curriculum Committee Meeting, December 10, 1979

The submissions were rated individually by Black and each member of the curriculum committee and the merits of each were debated in committee. The tender finally selected by the committee was from a relatively new local organization with excellent academic credentials. The selection was ratified by the management committee on January 14, 1980 and a contract awarded shortly afterwards.[38]

.27 Design and curriculum content controls established

A procedure was set down and followed. The curriculum committee submitted the material well edited and arranged in proper order to the program designers. The program designers composed rough drafts of the scripts which the curriculum committee checked for accuracy. Technical terms, chemical processes and sequencing were all verified. Committee members were assigned responsibility for each lesson. On approval, the designers tested their material on test groups. Based on the results of the testing, the final scripting was recorded and workbook copy completed. The master recording and the workbook manuscript then went to production.

Because the program was essentially distance education, Black recommended that a number of hands-on units be included. Black's Special Projects department developed two. One aimed at teaching the student how to build models of simple polymers using plasticene for molecules and drinking straws for chemical bonds. The other was a very elementary chemistry set

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38. Minutes: Management Committee, January 14, 1980

whereby the students were to perform basic experiments which demonstrated elementary chemical reactions.

It required approximately one year to produce the course. When completed, it comprised forty lessons and two kits. Each instructional package contained one workbook of forty lessons, twenty cassettes each with two lessons of approximately twenty-five minutes and two kits. Study time of each lesson was considered to be one week and two weeks were allowed for the practical lessons. With holidays and other interruptions it was expected that the course would take one year to complete. The course was available in both languages.

At the writing of this case study, the product knowledge course is underway. It has been well accepted and is progressing very well. However, the administration of such a correspondence program was not fully appreciated and Black was doing his best to cope with it. Communicating by correspondence and the correcting of individual assignments are both time consuming and demanding. As an interim solution, Black contracted this work out but it is his intention to employ a person full time to assist in the administration of this program and others that are being considered.

.28 Other company programs assigned to executive responsible for management and product knowledge programs

As Black was emerging as the company's expert on educational matters, Struther s delegated the responsibility for the administration of the

Kepner-Tregoe programs to him. The Kepner-Toegoe programs had proven to be very successful at Amalgam and Struthers wanted them continued in the new company.

These programs aim at teaching a manager how to observe, how to appraise and how to investigate situations and problems that arise and how to develop a rational solution. In short it is a course in rational situation appraisal and problem solving.

Two of Amalgam's employees had received training in teaching Kepner-Tregoe principles and had been duly certified as trainers by Kepner-Tregoe. They performed this training on a part time basis only. Their major responsibilities were in marketing and systems management respectively.

It was expected that there would be a minimum of administrative work associated with these programs with the exception of scheduling, participant registration and budgetary control. The programs had a well prepared curriculum, accompanied by well presented printed material and texts. Much of the administrative burden was removed from Black as the trainers arranged for facilities, requisitioned teaching aids and classroom equipment and supervised the distribution of preconference material.

.29 Problems with part-time trainers

As events were to show the use of employees as part-time trainers, whose major responsibilities lay elsewhere proved to be an extremely poor

arrangement. On six separate occasions they were unable to fulfill their teaching commitments because of more pressing obligations to their regular work. Not only did these cancellations cause a great deal of wasted effort in work rescheduling, but four times the company's hotel deposit had to be forfeited. It was also upsetting to many participants who had to reschedule transportation and rearrange work schedules and back up arrangements as well as domestic responsibilities.

Black put his complaints in writing to the president, stating that if the company was going to continue to expand its training function, it was going to be necessary to employ full time trainers whose sole responsibility was training.[39] Struthers agreed that the use of part-time trainers had severe limitations but stated that he wanted to give the whole matter of education and training more thought and in view of executive changes that were being planned. he was considering asking King to prepare a full report on the subject later in the year.

.30 Executive changes affecting educational activities

A number of executive and organizational changes were being planned for the end of 1980. Struthers wanted to decrease the number of managerial levels and decentralize decision making. The position of executive vice-president was to be discontinued. King, who had been the vice-president of administration was within months of retirement and Struthers took the opportunity of combining the responsibilities and functions of the Director

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39. Memo: Black-Struthers, April 5, 1980

of Corporate Planning with that of administration. The new position was titled Vice President Corporate and Human Resource Development. Charles Peters was appointed to this post. No attempt was made to define the human resource function and eventually it was a source of confusion with Black's responsibilities in training and education.

The new organizational structure as approved by the board was as follows:

EXHIBIT 9
NEW ORGANIZATION U.A.C. LTD.

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                    ┌─────────────────────────────┐
                    │   BOARD OF DIRECTORS         │
                    └─────────────────────────────┘
                                  │
                    ┌─────────────────────────────┐
                    │ PRESIDENT AND CHIEF          │
                    │ EXECUTIVE OFFICER            │
                    │   J.R. Struthers             │
                    └─────────────────────────────┘
                                  │
   ┌───────────┬───────────┬──────┴──────┬───────────┬───────────┐
┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐
│VICE-     │ │VICE-     │ │SECRETARY │ │VICE-     │ │VICE-     │
│PRESIDENT │ │PRESIDENT │ │SENIOR    │ │PRESIDENT │ │PRESIDENT │
│CORPORATE │ │          │ │VICE-     │ │          │ │          │
│AND HUMAN │ │FINANCE   │ │PRESIDENT │ │MANUFACTUR│ │MARKETING │
│RESOURCE  │ │          │ │          │ │ING       │ │          │
│DEVELOPMENT│ │          │ │          │ │          │ │          │
│          │ │          │ │          │ │          │ │          │
│Charles   │ │M.T.      │ │William   │ │Malcolm   │ │          │
│Peters    │ │Chester   │ │Black     │ │Issacs    │ │          │
└──────────┘ └──────────┘ └──────────┘ └──────────┘ └──────────┘
                              │
                         ┌──────────┐
                         │SPECIAL   │
                         │PROJECTS  │
                         └──────────┘

        ┌──────────────────────────────────────────────────┐
        │  VICE-PRESIDENTS DISTRIBUTION OPERATIONS          │
        │                                                  │
        │ BRANCH OPERATIONS  TORONTO DIVISION  MONTREAL DIVISION │
        │                                                  │
        │   Andrew Cox        John Williams   Pierre Deguise │
        └──────────────────────────────────────────────────┘
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Prior to the creation of the new position of Corporate and Human Resource Development and to Peter's promotion to it, Black's activities in training and educating were limited to special projects. It did not entail a general educational responsibility or accountability. Up to the time that Peters took over his new-post Black was involved in only three programs; Kepner-Tregoe, the branch managers program and the product knowledge course. Under Black's supervision these programs had met with considerable success, so much so that they had achieved a high degree of prominence and stature within the organization. The quality of the programs had popularized training throughout the company. As a result there were a growing number of questions, requests for assistance and problems relating to training, education and development being referred to Black.

In order to resolve the confusion and conflicts that were arising between Peters' and Black's educational responsibilities Struthers suggested that a thorough study be made of all the company's educational endeavours.[40] As King was gradually being relieved of his responsibilities and duties by Peters, Struthers asked King to undertake this study.

Prior to amalgamation both companies carried on training after a fashion. At United training and education were the responsibility of the personnel manager and reported to King.

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40. Memo: Struthers-Black, May 5, 1980

EXHIBIT 10

ADMINISTRATION DEPARTMENT ORGANIZATION - UNITED CHEMICAL INCORPORATED

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            ┌─────────────────────────────────────────┐
            │   VICE-PRESIDENT ADMINISTRATION (KING)   │
            └─────────────────────────────────────────┘
                              │
        ┌─────────────────────┴─────────────────────┐
┌───────────────────────────────┐   ┌───────────────────────────────────┐
│ Manager Administration Services│   │        Personnel Manager          │
│ . Property Administration      │   │ . Personnel Policies              │
│ . Risk Management (Insurance)  │   │ . Benefits, Pensions              │
│ . Public Relations             │   │ . Salary & Wage Administration    │
│ . Transportation Services      │   │ . Industrial Relations            │
│ . Leasing                      │   │ . Safety                          │
│ . Office Management Head Office │   │ . Personnel Records               │
│                                │   │ . Training                        │
│                                │   │ . Education Aid                   │
│                                │   │ . Management Development           │
└───────────────────────────────┘   └───────────────────────────────────┘
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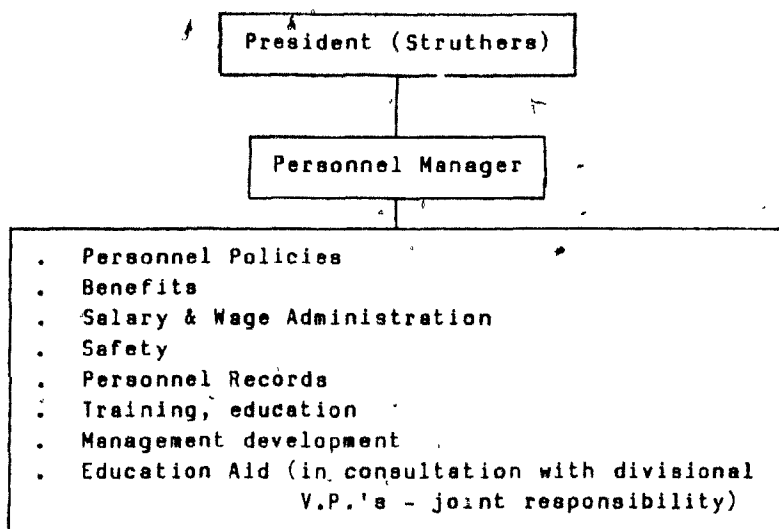**.31 Survey of all company training and educational activities undertaken**

Training and education had received little attention. They carried on
a number of programs intermittently which were all purchased from private
organizations. On a regular basis they sponsored a first line supervisors
course, a safety course and a selling course. These were the only in-house
courses put on by United, but they often sent their employees to outside
courses offered by the American Management Association, AMR, the
universities and the colleges.

The situation at Amalgam had been different. The personnel manager who
reported directly to the president was responsible for all educational

activities in the company with the exception of the Professional Selling Skill courses which were under the jurisdiction of the divisional managements.

E X H I B I T   1 1

PERSONNEL DEPARTMENT ORGANIZATION - AMALGAM LIMITED

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        ┌─────────────────────────┐
        │  President (Struthers)  │
        └─────────────────────────┘
                    │
        ┌─────────────────────────┐
        │    Personnel Manager    │
        └─────────────────────────┘
                    │
 ┌──────────────────────────────────────────────────┐
 │  .  Personnel Policies                            │
 │  .  Benefits                                      │
 │  .  Salary & Wage Administration                  │
 │  .  Safety                                        │
 │  .  Personnel Records                             │
 │  :  Training, education                           │
 │  .  Management development                        │
 │  .  Education Aid (in consultation with divisional│
 │                    V.P.'s - joint responsibility) │
 └──────────────────────────────────────────────────┘
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The training and educational efforts at Amalgam were more extensive and one program, Kepner-Tregoe has already been described. They attempted to develop their own training programs and regularly conducted courses on first aid, safety, performance appraisal, MBO and orientation. They had given a great deal of thought to the proper method of introducing new employees to their jobs and to the company. To assist supervisors and managers in orientation procedures, they had created an induction training program complete with handbook, benefit booklet and audiovisual. Just prior to their merger with United, they had completed a training program for supervisors on exit interviewing. As Amalgam's head office was in Montreal they also conducted language courses regularly.

After amalgamation, King brought all the training programs together under the personnel manager, excluding those under Black's authority. United's selling course was delegated to the head office marketing department and King combined and rationalized those courses remaining.

Although given regularly, no attempt had been made to evaluate these courses. It was assumed that they were meeting both the company's and employee's needs. [41]

Both Black and King's department were heavily involved in educational and training endeavours. Were there any others? The company was a large one spread across the country and it was possible that other organized programs were taking place which were not reported in official correspondence or in interviews. King began by surveying each operating unit.

The surveys were most enlightening. A Montreal based subsidiary was engaged in a number of training programs for machine operators. In this they were assisted by Canada Manpower and the Quebec Department of Education. The programs operating under the auspices of these agencies had some monitoring and some performance standards set. At the Valleyfield manufacturing plant on-the-job training was being conducted for container machine operators, packaging technicians and maintenance mechanics.

The major divisions were in the throes of converting to computer based operations and had developed extensive two-month training programs on

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41. Interview: King, May 10, 1980

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computer in-putting and on-line procedures. The two managers in charge of the training programs were not only specialists in computer systems design but had previously been through Black's "Training-the-Trainer" course. They had also attended Friesen-Kaye's instructional design workshop in Ottawa. Throughout their courses they applied the instructional methods advocated by Friesen.[42] Well defined learning and performance objectives were written and although a programmed text was not developed, well constructed performance aides with detailed instructions were produced. The format employed was that of the lecture, which was kept to a minimum and supplemented by numerous simulation and "hands-on" exercises.

Performance evaluation indicated that the instructional programs were very successful. Employees with no knowledge of the computer or computer operations were able to operate the system with productivity rates substantially over those of the previous system and errors, claims and incorrect pricing were reduced to almost nil.

The managers informed King that they thought that the great success the company experienced with its computer programs compared to the horrendous experiences of other companies was due entirely to the type of training that they had received in instructional methodology and teaching principles.

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42. Paul A. Friesen, The Systems Approach to Lesson Planning, Publishers Friesen, Kaye Asociates, Ottawa, Ontario, 1974, Paul A. Friesen, Designing Instruction, Publishers Friesen, Kaye & Associates, Ottawa, Ontario

King found the divisions engaged in other training programs as well. Both Montreal and Toronto were conducting Xerox's Professional Selling Skills course on a regular basis. Montreal was also giving Xerox's Participative Management course while Toronto was engaged in training in "quality circles". Winnipeg was conducting safety courses with the aid of the Manitoba Department of Industry. The surveys disclosed an extensive number of educational training programs were being carried on regularly thoughout the Company. King summarized his findings in the following table.

E X H I B I T   1 2

SURVEY OF TRAINING AND EDUCATIONAL COURSES IN OPERATION AT NOVEMBER 1, 1980

LOCATION	ORIGINATOR	COURSE	TEACHING METHOD
Central – Head Office	Black's Department	Branch Managers Program	Correspondance & Seminar
		*Media Appearance	Workshop
		Product Knowledge Programs	Tapes & Correspondence
		*Stress Alleviation and Fitness	Workshop
		Training the Trainer	Seminar
		*Pre-Retirement Program	Seminar-Workshop
*in development			
Central – Head Office	King's (Peter's) Department (Personnel Dept)	Language English French	Small Group – Tutorial
		Safety	Workshop
		Orientation	Lecture
		Machine Operator Training	Lecture + On-the-job
		Special Training	Lecture + On-the-job
Central – Head Office	Chester's Dept. (Computer Operations)	On-line-entry Order Processing	Lecture + Simulation
Montreal Div.	Sales Dept.	Xerox P.S.S.	Classroom/Tapes Workshop/Workbook
	Personnel Dept.	Xerox Participative Management	Tapes + Workshop
Toronto Div.	Personnel Dept.	Job Rotation	
	Sales Dept.	Xerox P.S.S.	Classroom/Tapes Workshop/Workbook
		Quality Circles	Lectures + Workshop
		Facilitator Training	Outside Consultant
Winnipeg Branch	Operation Dept.	Safety	Workshop

.32   Company's total expenditure on educational activities costed

When cost figures were gathered, King estimated the total exceeded $280 thousand dollars.   A remarkable amount when only $160 thousand had been budgeted!   When the cost of outside programs, travel, hotels, education aid and time-off were added in the cost exceeded $500 thousand dollars.
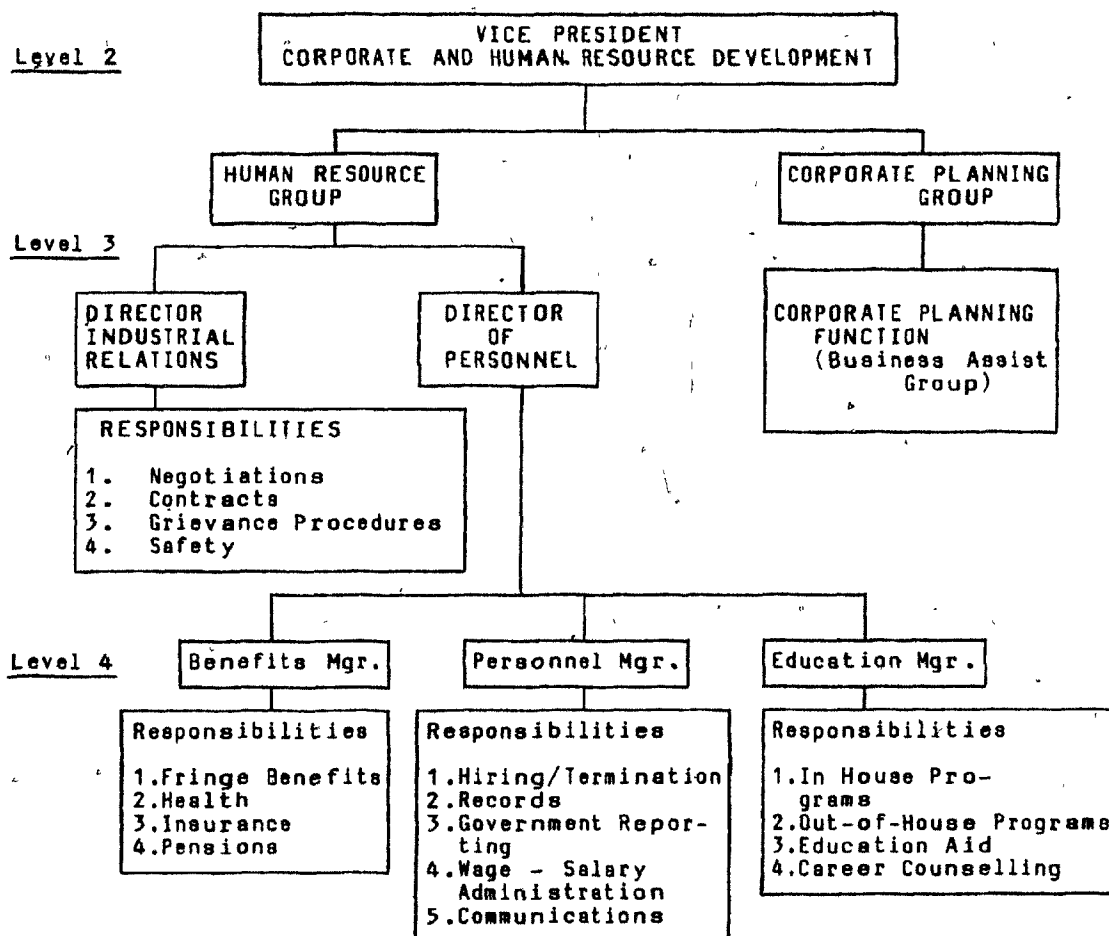
.33   Proposal to establish a training manager

King noted in his report that during his tenure, the personnel department was gradually moving away from the traditional roles of hiring, record maintenance and benefits to an active role in keeping people in jobs in times of technological change, improving productivity through better performance and building talent for the future.   Employee appraisal procedures were therefore taking a much greater proportion of their time and King found that training and education were receiving more attention.   However neither the company nor the personnel department had reacted in a coherent fashion with the result that the programs bore little relationship to the company's long range goals and had neither a unified thrust nor an organized aim.

King proposed that all training and education be the responsibility of one person who would report to a director of personnel, and suggested that

the position of vice-president corporate and human resource development be

modified as follows:[43]

EXHIBIT 13

DEPARTMENT ORGANIZATION PLAN: CORPORATE AND HUMAN RESOURCE DEVELOPMENT

Level 2

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                    VICE PRESIDENT
        CORPORATE AND HUMAN RESOURCE DEVELOPMENT
```

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        HUMAN RESOURCE                CORPORATE PLANNING
            GROUP                          GROUP
```

Level 3

```
    DIRECTOR          DIRECTOR          CORPORATE PLANNING
    INDUSTRIAL           OF                  FUNCTION
    RELATIONS         PERSONNEL           (Business Assist
                                              Group)
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```
    RESPONSIBILITIES

    1.   Negotiations
    2.   Contracts
    3.   Grievance Procedures
    4.   Safety
```

Level 4

```
    Benefits Mgr.         Personnel Mgr.         Education Mgr.
```

```
    Responsibilities      Responsibilities       Responsibilities

    1.Fringe Benefits     1.Hiring/Termination   1.In House Pro-
    2.Health              2.Records                grams
    3.Insurance           3.Government Repor-     2.Out-of-House Programs
    4.Pensions              ting                  3.Education Aid
                          4.Wage - Salary        4.Career Counselling
                            Administration
                          5.Communications
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.34 Report on training manager and department discussed

King's report was tabled at a special meeting in Struthers' office.

Chester, Black, King and Struthers were in attendance.   It came as a com-

plete surprise to these executives that the company was engaged in so many

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43. Memo: King-Struthers, May 29, 1980

programs and its training efforts were so extensive. It encouraged many hidden costs for which there had been no budget set. It also demonstrated a serious lack of overall control and for all the money spent there had been no attempt to have these activities relate to the company's present or future needs in an organized way. In the discussion that followed a number of observations were made that had a direct bearing on what had and was happening. Some of which it must be noted were based on inference and conjecture.

The divisional and regional managers had sufficient funds available in their operating budgets to finance a few on-site programs as well as sponsoring selected individuals to outside seminars and workshops. On-site programs were founded on what was perceived to be a training requirement. No attempts were made to conduct needs analyses. Outside courses for individuals were chosen in much the same way and often with the vague intention of providing some form of management or professional development. At neither the divisional nor company level had any coherent pattern evolved.

Two rather interesting observations were made on how personnel were selected to attend management and executive courses. These courses in many instances were regarded as "perks" particularly when they were held in the southern United States in the wintertime. These courses were always negotiated on a one-to-one basis between the employee and his immediate superior. The out-of-town courses normally were restricted to middle and senior management. Certainly the extended four to six weeks programs offered by many universities always were. A request to attend these courses could

originate with either the employee or their superior. The courses were generally chosen on the basis of the course description contained in the institution's brochure, the reputation of the institution and where it was held. When questioned on this point, King said that he had uncovered no evidence that any of these courses had been either partially or rigorously appraised. Course selection was seldom, if even, based on any criteria or, if it was, it was only in a very rudimentary way.

Another observation by King was very interesting. He suggested that at times the reason a manager was sent to an outside course, particularly to a prestigious university, was to improve that manager's status among his or her peers, but as noted by Struthers, there was no evidence to support this contention.

King also implied that the head office was not without its share of the blame. Not only did they conduct a number of courses which were never evaluated but some were of questionable value. Many were carry-overs from the original companies and had not been revised to meet the realities of the new company.

It was, however, acknowledged that some of the programs were sound and performance measures had been established. The computer training course and the branch managers' program were cases in point. But Chester, the chief financial officer, was very critical of the situation and insisted that greater control of spending on training and education be instituted immedi-

ately and that the approval of a program be based on a cost-benefit analy-
sis.   The   merits   of   cost-benefit   analysis   were   argued   but   remained
unresolved.

.35 Controls in educational activities imposed

Although there were a number of more pressing priorities, there was
sufficient concern that controls on training be imposed as quickly as pos-
sible.   Struthers delegated this task to Black and asked him to devise a
system to better direct the company's training and education expenses.   At
the same time he wanted an accountability procedure for all spending.
Struthers asked for a final report in three months' time with bi-monthly
updates.[44]

As King's report demonstrated, the company's activities in education
and training were carried on by five separate departments; the personnel
departments at the head office and in the divisions, Black's department and
the information systems group.   There were also numerous on-the-job training
schemes carried on throughout the company.   In addition to these activities
many employees were taking advantage of the company's tuition aid program.
Black adopted King's suggestion and grouped all these activities under a
general function which he described as the educational function.

In analyzing the origin of training requests, and where the decision
was made on who would take what, no coherent pattern emerged; in fact, it

44. Minutes: Black, June 6, 1980

was very haphazard. Where educational aid was involved, the request almost always originated with the employee, endorsed by the immediate supervisor and approved by personnel. It was only in the rarest instance that the supervisor or manager would recommend a course of study to the employee. This occurred only when the employee had been singled out for some future position that required specific training.

In discussing the educational function with the management group, Black found that many managers jealously guarded their prerogative in choosing participants to attend training and educational courses. Black discovered that it was not an insignificant source of power and authority; at least it was perceived so by many of the managers and supervisors. He reasoned that if this prerogative was withdrawn or appeared to be curtailed, considerable resistance would be met for any co-ordinated system that the company might wish to initiate. In expressing his views in his first bi-monthly memo to the president, Black stated that management involvement in the educational function at all levels was desirable. By doing so, the executive in charge of educational administration would be better able to gain their acceptance and commitment and this would aid substantially in improving the overall effectiveness of the educational function.

In his second memo, Black isolated a number of control mechanisms which he thought would help in the administration of the educational function. One was budgetary control. He suggested an overall budget be established for the company as a whole, but broken down for each operating unit. The head office-administration budget would cover corporate programs while

operating unit budgets would cover those specific training needs relating to the operating units exclusive of corporate programs. Moreover, the budgets of the operating units should include travel and hotel expenses for all programs. Black reasoned that, if part of the educational function was charged against a manager's budget, it would secure his or her interest in it. However, the final approval and allocation of individual budgets for educational activities would be under the jurisdiction of the executive in charge of educational activities. Thus central authority would know what was being spent where and for what purpose and, at the same time, would encourage the individual manager's interest in those programs against which their departments were charged. Under this system it would be easier to establish results oriented education and training.

In subsequent bi-monthly memos Black outlined a number of other means to regulate and guide educational activities.

A second means of control would be to establish standards throughout the company for all in-house programs. Black suggested that all company training be conducted by trainers who had received teacher training and had reached a prescribed standard; that curriculum for company programs be audited and approved by the executive charged with the responsibility for the administration of educational activities and that all programs be evaluated both by the participant and when thought advisable by examination. Every attempt was to be made to evaluate against performance standards.

A third means of control would be through learning contracts and they should be encouraged and used whenever feasible. This would involve evaluating outside courses on the basis of the perceived benefit to the individual and benefit to the company. Before attending a course, the individual and the individual's supervisor would set down in writing what the individual would be expected to learn and how this learning would be translated into either present or future job requirements. How this learning would be measured in performance terms was to be agreed on mutually.[45]

.36 Steering Committee proposed

King had proposed that a new position be created, titled the educational manager, whose responsibility would be the educational function. But, with a limited staff and limited resources, Black thought that control would be difficult. A possible answer was to institute a permanent educational steering committee to assist in this task. The steering committee's mandate would be to filter the various educational and training demands that were made on the company. They would also study the needs analyses that were prepared, and would recommend needs analyses where they saw fit. They would also assist in monitoring results. Another feature of the steering committee, could be a rotating membership which would expose more people to educational activities and continuing education as well as getting them directly involved in the educational process.

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45. Black-Struther's memos: June 9 — September 12, 1980

.37 Controls for educational function

In his memo, Black attempted to design a framework for control of the educational function:

E X H I B I T   1 4

CONTROL FORMS - EDUCATIONAL ADMINISTRATION

EDUCATIONAL ADMINISTRATION: ATTENDANCE APPROVAL FORM

FORM A

Origin of request:
     Management Level:1[ ], 2[ ], 3[ ], 4[ ]   Steering Committee:[ ]
     Education Dept.: [ ]   Employee: [ ]
     Personnel Dept.: [ ]   Other: [ ]

Name:_____ Position:_____

Course description: _____

In-house program [ ]:
     Education Dept.(Head Office)[ ]   Division [ ]   Personnel [ ]

Out-of-house program [ ]:
     Name of institution: _____

Educational Aid [ ]:
     Name of institution: _____

     Degree/certificate/diploma _____

Specific user request: _____

     Cost: _____.   Has it been budgeted: Yes [ ]   No [ ]

FORM B

APPROVAL GUIDELINE: (To be completed by superior/manager)

Individual's Position:	Yes	No	Management's Position:	Yes	No	Company's Position:	Yes	No
1. Does the individual have a clear understanding of why he or she is participating in this course?	[ ]	[ ]	1. Will this course improve the individual's performance?	[ ]	[ ]	1. Is this course in line with the company's HRD programs?	[ ]	[ ]
2. Have skill/knowledge standards in the course been established?	[ ]	[ ]	2. Will this course improve the individual's promotability	[ ]	[ ]	2. Is this course in line with the company's L.R.P.?	[ ]	[ ]
3. Have performance standards on the completion of the course been established?	[ ]	[ ]				3. Is this course in line with the company's projected Manpower needs?	[ ]	[ ]

FORM C

COST CHECK LIST: (For Educational Department use only)

	Amount		Amount
Staff	_____	Administration	_____
Contract-Sub contract	_____	Secretarial	_____
Materials	_____	Misc: _____	
Media	_____		_____
Program Cost	_____		_____
Travel	_____		_____

Sub Total: _____ _____

Total: _____

TIME PARAMETERS:

Start _____   Completion _____

If pert/critical path chart applicable - attach to this form.

Black included a functional description for a Steering Committee with his outline of control procedures.

.38 Administrative role for educational activities studied

In searching for an answer to the administrative role of educational
activities within a company, Black reasoned that the educational function
was not unlike that of the controllership function. He thought it best to
decentralize education and training activities as much as possible but at
the same time try to maintain maximum control over spending and results. He
adapted the major areas of responsibility of the controllership function to
the training and education function. He isolated the critical responsibi-
lities as accountability for educational standards and results against these
standards: budget and cost control, administration, planning and consulta-
tion. These responsibilities he summarized as follows:

"   a) Planning: To plan educational and training activities in
accordance with the company's manpower requirements, long range plans
and needs assessments.

b) Control: To establish, co-ordinate and administer overall
educational activities for the company.

c) Standards of Education: To establish standards and measures of
performance against which educational results can be measured and on
which cost-benefit analysis can be based.

d) Consultation and Counselling: To consult with and counsel
senior and middle management on all aspects of the company's training,
educational and staff development requirements.

e) Environmental Analysis: To monitor, appraise and analyze, on a
continuous basis, legislation, economic, technological and social
changes that may have implications on company operations, on staff at
all levels, on development and on training and education.

f) Administration: To administer those training and education
programs under direct control and to administer educational policy
throughout the company.

g) Government Relations: To prepare reports and liase with
government manpower and education agencies.

h) Budgetary Control: To maintain budgets within limits approved.

The creation of a steering committee would be of invaluable assistance to the educational administrator and not an insignificant adjunct for effective control of education. Moreover a steering committee Black felt, would go a long way to keeping managers' and supervisors' interest peaked in the company's educational activities. And in order to maintain interest at all levels, he proposed that a quarterly newsletter be published providing relevant information on all aspects of education within the company along with participant ratings and opinions on all courses.[47] King suggested that short reviews be included by participants on major outside courses they had recently attended.[48]

But Black was no closer to developing a satisfactory solution to the organizational structure problem. The best he could conceive was a standard structure.

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47. ibid, p. 5

48. Interview: King, July 7, 1981

E X H I B I T   1 5

POSSIBLE ALIGNMENT FOR EDUCATIONAL AUTHORITY

LEVEL 1:

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                        ┌─────────────┐
                        │  PRESIDENT  │
                        └──────┬──────┘
                               │          ┌──────────────────────┐
                               ├──────────│ MANAGEMENT COMMITTEE  │
                               │          └──────────────────────┘
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LEVEL 2:

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┌──────┐  ┌──────┐  ┌──────┐  ┌──────┐  ┌──────┐  ┌──────┐  ┌──────┐
│ V.P. │  │ V.P. │  │ V.P. │  │ V.P. │  │ V.P. │  │ V.P. │  │ V.P. │
└──────┘  └──────┘  └───┬──┘  └──────┘  └──────┘  └──────┘  └──────┘
                        │
             ┌──────────┴──────────────┐
             │ (EDUCATIONAL  AUTHORITY)│
             └──────────┬──────────────┘
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LEVELS 3,4,5:

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        ┌─────────┐              ┌─────────────────────┐
        │  STAFF  │              │  STEERING COMMITTEE │
        └─────────┘              └─────────────────────┘
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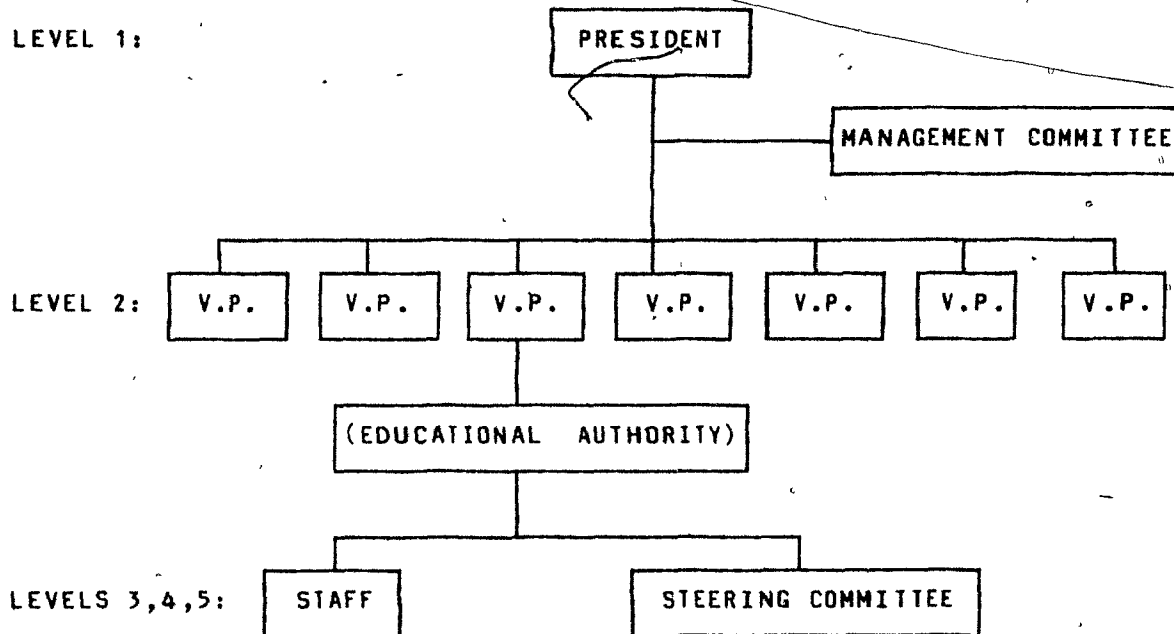
King had placed the educational administrator at the fourth level. This was a second management level junior to the executive level. Black, after his study of the educational function, was reaching the conclusion that it was primarily an executive one.

In presenting his recommendations to the president, Black explained that a typically functional organization structure was not, in his opinion, suitable for the educational function as it cut across many jurisdictions. In this respect it was very similar to the controllership function but, whereas the controller's authority was exercised through a tangible and con- crete resource, finance, that of the educational administrator's was not.

Education was an intangible resource; difficult to evaluate and measure. In another important area it differed from the controller's position. In all cases on financial matters, final authority rested with the president, however, on educational matters, it appeared to rest almost entirely with the executive or manager who had control of a budget. Finance is critical to the earnings of the company, education never is. Capital appropriations over $50,000 required board approval, educational expenditures never did. Black argued that, as far as control of expenditures for education were concerned, this should be an executive responsibility.

Would a matrix structure enhance or degrade the position? Black found the matrix concept to have a great deal of merit in many educational activities and projects. It could be a logical structure in developing curriculum, text material and programs where the resources and staff of various groups such as sales, accounting, manufacturing and operations could be used. On the other hand, it would be of no use in administering a number of functions. Black concluded that temporary matrix structures would be satisfactory but that they added nothing to where educational administration should be placed in the hierarchy. As far as a matrix structure was concerned, the position of the project administrator did not matter, and therefore, it added nothing to solving the problem of where the administrator should be placed normally.

But the position of the educational administrator did matter when it or was necessary to counsel senior management on their own educational needs and to recommend executive programs for their own development or require-

ments. Moreover, in order to analyze executive needs and recommend appropriate action, it is necessary that the person doing this be of a senior level. It is unlikely that a person at a lower lever would have much influence or would have the requisite prestige to be consulted on a personal basis by individual executives.

Finally Black concluded that all the company's educational efforts should be directed to supporting the company's goals. To accomplish this effectively it is necessary that the educational administrator be involved in and part of long range and strategic planning. These are usually senior management functions and to be consulted and intimately involved in these plans would demand senior status.

Black summarized his findings in his final report to Struthers. In it he endorsed King's grouping of educational activities as both a sensible and workable arrangement. As he stated: "It had one very great advantage, it was simple". But Black continued "the education authority should be a senior responsibility and have control of the company's entire education budget". A division or branch could still have an education budget but its use would be predicated on the educational administrator's approval. Through this procedure, co-ordination could be achieved and all activities would be focused on the company's objectives and on its long range plan. "Unnecessary and expensive duplication would be avoided". Programs developed by one division would be made available to all operating units in the company. Moreover, programs originated by head office departments such as finance and personnel would be more easily co-ordinated and maintained.

Finally, standards could be controlled, evaluations performed and sunset
rules established to discard out-of-date programs.   In short, it would
provide a more orderly and efficient administrative framework "[49]

Struthers discussed Black's proposal with Black and King. He did not
endorse Black's recommendations immediately and postponed a decision for a
later date as there were a number of pressing situations that needed his
attention. He did, however, approve the steering committee and recommended
that it also perform the function of an audit committee and report yearly to
the management committee on educational activities. The specific responsi-
bility of the audit would be to make a systematic evaluation of the quality
of educational and training programs as reflected in results against per-
formance standards and on the quality of training in general.

Black and King were also concerned that not enough consideration had
been given to the hopes and aspirations of the individual employee. If the
company was going to promote education on an on-going basis, it was neces-
sary that the individual's interests not be excluded. They recommended that
all employees should be encouraged to take advantage of the opportunities
that were offered. They suggested that education and training although
inextricably associated with human resource development, could be considered
an executive position in its own right and not necessarily subordinate to
it.[50] Struthers turned the matter back to Black and Peters, the newly
appointed Vice-President of Corporate and Human Resource Development.

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49. Memo: Black-Struthers, September 29, 1980, p. 11

50. King's Notes: Meeting Struthers, Black, King, October 13, 1980

When King retired, his administrative responsibilities were transferred to Peters. These responsibilities were principally those of personnel administration. As Peters was to continue with corporate development the decision was taken to label those responsibilities which had been acquired from King as human resource development. King's original suggestion was adopted and his position designated - vice-president, corporate and human resource development. There had been no attempt to define its function.

Black discussed the question with Peters. Both agreed from the outset that the personnel function, as far as the company was concerned, was separate and distinct from an employee development function. Personnel in their minds embraced selection, benefits, pensions, working conditions, grievance procedures, relocation policies and the like. Personnel was more concerned with the so-called "hygiene" factors and included employee documentation and record keeping. Wage and salary administration was a grey area and could be associated with either personnel or human resources. It was presently a function of the personnel department. Peters felt that in the event of the company achieving its long range goal of doubling in size in five years time, that wage and salary administration could become a separate department at which time it could be removed as a subsidiary function of personnel.

.40 Attempt to resolve human resource development and the educational function

They then considered those activities that could be associated with human resource development. The most obvious were training and education.

But training and education were just part of a much broader picture. The aims of training and education were to improve on-the-job performance, to provide a talent pool to meet the company's needs for replacements and expansion and to prevent individual obsolescence. In their opinion, training and education were to improve the company's present performance and to help it achieve its future goals.

In order to clarify their thinking, Black and Peters adopted Nadler's concept of human resource development.

E X H I B I T   1 6

FACTORS IN HUMAN RESOURCE DEVELOPMENT

ACTIVITY	CONCENTRATION	COST ALLOCATION	EVALUATION	VALUE
Training	New Employee/ New Position	Expense	1. Performance Standards 2. Productivity Indices	High
Training	Current Position	Expense but cost benefit	1. Performance Standards 2. Productivity Indices	High
Retraining	Old Employee/ New Position	Expense	1. Performance Standards 2. Productivity Indices	Moderate to high
Education	Old Employee/ Current Position Obsolence Prone	Expense	Subjective	Moderate
Education	Future Position	Investment	Subjective based on L.R.P.	Moderate risk
Development	Future organizational needs	Investment	Subjective based on L.R.P.	High risk
Development	Employee's own	Expense	None	Extremely high

[1]Op. Cit. Nadler, Human Resource Development p. 298

Nadler's concept was narrow and more restricted than much of what was appearing in the current literature. Much of what was being written on the development of human resources contained a bewildering array of concepts such as organization design, organization development, and work force planning. It was extremely confusing to Black and Peters. Didn't development work up the line as well as down? Didn't more development take place on-the-job than anywhere else? And if so, who was responsible for this phase of development?

Peters suggested that a distinction be made between human resource development and human resource utilization. Human resource utilization is concerned with who is going to be placed where for the maximum benefit of the organization. It is really having the right person in the right place at the right time. As they struggled through the exercise of trying to define human resource development, it gradually occurred to them that all the company's present and future plans were expressed in largely financial terms. Capital and financial resources had been fully accounted for, but if human capital could be considered a resource then would it be helpful in clarifying the concept of human resource development? Considering human resources as a resource much like finance, capital equipment and fixed assets did help them to understand better the human resource development function.

By changing the word utilization to management, they conceived the concept of human resource management. This appeared to them to be the bridge between personnel and human resource development for which they had been

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searching. Human resource management meant the utilization of the skills, talents and abilities of each individual for the maximum advantage to the company. Not only does human resource management attempt to have the right people in the right job at the right time, but it also attempts to make maximum use of all talents within the company for its and the individual's ultimate advantage. This is the primary responsibility of all managers. Working in concert with human resource management, the goal of human resource development should be to provide through training and education and experience those skills and knowledge necessary for the individual to perform competently now and in the future. It should also provide individuals the opportunity of achieving satisfaction and security in their present jobs and to prepare them for the future if they are so motivated. Thus its aim should be to meet the present and future needs of the company for a capable and productive workforce and help to provide the foundation for each individual's career aspirations.

Peters and Black decided to restrict human resource development to educational and personnel activities. The former was to include education, training, on-the-job training and career planning while personnel activities would include benefit administration and industrial relations as listed in exhibit 13. The larger issues of experience, quality of work life, and organization development that were usually included in human resource development were too large to cope with and for the present set aside. On the other hand they agreed that human resource management was different from human resource development. Human resource management was a basic and essential responsibility of all managers. In its broadest sense it was to

make the most of each employee's talents for their's and the company's mutual benefit.

In order to balance human needs with those of the company's, Peters and Black recognized that there had to be some form of career planning, including planning for retirement. However, career plans were usually founded on personal needs, aspirations and perceptions, and they did not necessarily and frequently did not correspond to the company's manpower requirements. Although individual needs were recognized as being important, they could not be beyond the resources of the company. In fairness, they thought that the company's needs should take priority. Career planning was therefore considered to be the responsibility of the individual and wherever possible and within its means the company would assist the employee in this regard.

Having satisfied themselves on what human resource development meant, Black and Peters then considered the implications of combining the educational and the career development duties with Peters' present ones. It was beyond the capability of one person to handle the administrative workload of these activities as well as the corporate and human resource development responsibilities. Secondly, Peters did not have the knowledge and experience to carry on the specialized duties that were required in education and training. Peters' solution was to follow King's recommendations and to set up a separate department headed up by a director of education, a third level position. This was opposed by Black who maintained that the position should be at the executive level. Again, Black reiterated his argument that education and training functions encompassed the company's entire workforce in-

cluding all levels of management. It also involved corporate development, as well as strategic and long range planning. It also required a knowledge of the latest technological, economic and social changes and how these changes would likely affect the company. This was no third level responsibility, this demanded a very intimate knowledge of the company's operations and markets. Major sums were being allocated to education and this demanded both the support and cooperation of the executive group and the endorsement of the entire management group throughout the company. It was in Black's terms an executive responsibility and a major one.[51]

.41 Educational responsibilities assigned

Struthers met with Peters and Black. He agreed that to impose the responsibilities for educational activities on Peters would be too heavy a workload without additional staff. But he did not want to incur the expense of setting up a new department and employ an additional senior manager at this time. He wanted to wait and see how the educational function was going to develop. Struthers suggested that Black continue with his involvement in education and training and over the next six months to pull together the various educational and training activities. He suggested that once these were grouped and organized in a recognizable and meaningful way that it would be easier to position the function accordingly.[52]

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51. Interview: Black and Peters, October 30, 1981

52. Interview: Struthers-Black and Peters, November 6, 1980

.42   Educational activities organized

Using King's surveys as source material Black's first task was to list all courses and programs that were being sponsored. These were classified on the basis of present company needs and meeting future company requirements. He also listed all personnel receiving tuition aid and used the same classifications as noted but in addition he added sub-classifications of professional, business and "other" and a third minor classification pertaining to the individual's needs and career aspirations. The amounts spent were subtotalled for regions and totalled for the company as a whole. This provided an overview on how much was being spent, where it was being spent, on what and why.

Black's next step was to advise all managers who had the authority to approve educational expenditures to submit them to head office for final approval. All expenditures received a general ledger numerical code which permitted a double check on all spending for educational activities

By taking these measures Black was able to exercise a high degree of control over the educational function. He now knew what courses and programs were being taken. Based on this knowledge he began the process of relating these programs to the company's present needs and possible future requirements implied in the long range plan. Black recognized that this effort would be extremely imprecise as accuracy could only result from a well conducted series of needs analyses. Nevertheless patterns did begin to show up, and back up deficiencies became very conspicuous. Not only was

massive computer illiteracy uncovered, there were insufficient numbers of trained staff to fill posts that would become vacant within relatively short periods. Black recommended courses of action which the management committee acted upon.

The larger aspects of cost-benefit analysis and accurate performance standards had to be postponed for the time being. These required the assistance of the personnel department and line management and the development of job descriptions for all positions. This was a massive undertaking and beyond Black's means. It had to be an overall objective and fit into the priorities of the company.

.43 Career development program

In order to accommodate a limited career development program, Black started to develop a job information system with the help of the personnel department and the computer resource group. This was limited to mid-level supervisory posts and up. Future positions based on the long range plan along with projected vacancies in present positions were included. It had only attained an initial stage and only preliminary trials had been completed. The intention was to make it more elaborate but a number of difficulties were being encountered that were proving very difficult and time consuming to resolve. One difficulty was developing a skill-experience-knowledge profile for each position and for each employee. But in Black's words it was a start.

The next step was to afford the individual an opportunity of developing his or her own career plan. Until sufficient funds and resources were available Black followed the policy of placing the responsibility for career planning on the individual. The company could only assist in a very limited way and it remained up to the individual to initiate the action. To assist the employee in establishing a career plan, Black developed a half day workshop-seminar, which would be made available in every centre across the country; The program had been put together very rapidly, but at the time this thesis was being written two seminar-workshops were scheduled on non-company time, one in Montreal, the other in Toronto and preliminary applications to attend had met with considerable enthusiasm. It was based almost entirely on the University of Wisconsin's "Planning your Career Development Program".[53]

.44 Learning contracts instituted

The other procedure that Black introduced was the learning and the performance contract. He felt that to help employees exercise maximum control over their learning pursuits, learning contracts should be encouraged for all company sponsored education including those relating to degree and diploma programs. With the assistance of his staff, he developed a learning contract. The performance aspect of the contract was emphasized on all in-house and outside programs. These programs were for the most part courses, seminars or workshops that an employee had attended or had requested attend-

53. Dick Berry, Planning Your Career Development Program, (Madison, Wisc., Department of Business and Management, Univ. of Wisconsin, 1972) pp. 16

ing for the main purpose of improving performance in a current job or acquiring specific skills for a job about to be entered. The learning outcome of these courses was to be measurable in performance terms. Applying this procedure with rigour the company's interest would be protected and management could assess the worth of the programs in a tangible way. On diploma, degree, and professional certification courses performance was judged on successfully attaining the particular certificate.[54]

At the annual management conference, Black was asked to present to the managers of the company the training and educational programs that the company was sponsoring and was planning in the future. Black's presentation was met with great enthusiasm and interest. At the end of the two-day conference, suggestions were made that the educational function be expanded considerably and the newest techniques of video tape, disc and networking be used more extensively to cut travelling and hotel costs.[55]

Further endorsement of the company's educational activities was given by the board of directors. Struthers requested Black prepare and present a report on these activities to the board. Following Black's report a discussion took place on the whole issue of human resource development. One of the directors stated that HRD was so loosely defined as to make it useless as a functional description. They concurred with the management committee that quality of work life and on the job development was every manager's responsibility. However, they were not prepared to accept the suggestion

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54. Black, Drafts and memos

55. <u>Minutes</u>: Management Conference, October 16,17,18, 1980

that education, training and career planning be a separate and distinct executive responsibility. There was great reluctance to consider it an executive function at all, although they were strongly of the opinion that education as it related to the individual involved the executive ranks equally as well as it involved all others. The board was in complete agreement that the educational activities included executive development as well but there was no consensus that they were of executive stature.[56]

Black not only had difficulty in persuading the board of the executive status of the educational administrative position, he also had no success with his peers. He decided to draw up a job description from which responsibilities should be ranked, a man-profile could be developed and a better idea of the competencies required to fill such a position could be obtained. It would also be invaluable as a guide in deciding at what level the position should be slotted.

.45 Job description written for educational activities

Although King had retired, Black enlisted King's help. Together they examined what Black had been doing in developing the various educational programs. Not only had Black been concerned with curriculum development, modes of instruction and the creation of complete programs, but he was also accountable for the contracting out of various educational programs, the use and training of part-time trainers, the purchase of packaged programs, the administration of these programs as well as their evaluation, revision and

56. Minutes: Board of Directors Meeting, October 28, 1980

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up-dating. In addition, he was counselling and giving direction to other departments which were independantly giving courses. And, as they checked through some of Black's activities, they realized because of scheduling conflicts, Black was resolving priority issues as well. On an on-going basis he was attempting to evaluate curriculum and teacher's performance and was administering a fairly large budget. More recently, as directed by Struthers, he was bringing under control through central authority and through new procedures the entire educational activities of the company. Classifying these activities in order of priority Black and King drew up a job description.[57] Needs analysis, chairing the steering committee, long range and strategic planning, career planning, systematizing and program solving were other major functions either directly related to or associated with educational activities performed by Black

The job description helped immeasurably in revealing the scope of the position and the competencies that were required but it did not help Black and King to place it in the organization. They were unable to put a value on it and hence could not establish its relative importance to other positions.

They turned to reporting relationships and communication networks for possible clues as to where education and training might be placed. The various studies that had been undertaken and all the correspondence written on the subject was reviewed. If the educational function was going to operate effectively, there had to be some method to set priorities. Priority set-

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57. v. Appendix D

ting has a direct relationship to authority. But King's study had been unable to identify who requested training and educational assistance. There was no pattern. Supervisors, managers and executives all requested specific programs for their staffs. Often the request came directly from the employee. This was certainly the case for tuition aid at university or college. The management group was generally instrumental in requesting management training for the company's managers and it was the principal force in wanting product knowledge training. Not only did senior management want training for others, they wanted it for themselves as well. Managers also wanted educational programs for themselves and for their supervisors and foremen. Training and education were perceived as necessary not only for subordinates but also for self development and improvement. One fact, however, was borne out by King's study; a sampling of the requests for instruction and training revealed that a number stemmed from supervisory or systems related problems. For those requests that were well founded, a method had to be established to analyze the amount and kind of training that was necessary. But this was not all, each program had to have a priority set. Up to this time the higher the level the request originated from the higher priority it was given. With such a limited staff, it was impossible to do a detailed analysis of each training request. One practical solution had been found in the establishment of a steering committee. The other solution was to use outside consultants. Black in his capacity as administrator of edu-

cational activities controlled both the steering committee and the hiring and direction of the consultants.[58]

Furthermore, analysis of the requests received revealed that there was a very real need to assist and advise individuals on specific educational programs. In some cases it meant advising on the institution or university, in others it meant assisting with the selection of a course. These had not been the result of the career development program as it was only in the process of getting started. Once it was underway it would appear that the number of requests would grow substantially. This indicated that in the educational administration function there was going to be an element of counselling that would increase markedly over time.

There was another interesting fact uncovered. A number of requests had been made by individual executives for their own needs. These had been referred to Black who had been able to recommend a number of senior level programs at AMA, CMA and at the universities. In a period of one year he had recommended over 22 individual programs at 14 different universities and organizations which met as closely as possible that particular executive's needs.

There was no denying that communication flow and reporting relationships indicated to King and Black that the central authority for education

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58. Ed. Note: Outside consultants had been tried and found to be reliable. A policy was adopted whereby consultants would be employed if either the steering committee or Black was unable to process all the requests or if the request was beyond either of their capabilities.

had to be at a fairly senior level. This contention was further substan-

tiated in other areas. Discrepancies in manpower and deficiencies in know-

ledge and competencies were being disclosed in the company's strategic and

long range plans. They were also divulged in the company's annual exercise

on succession planning. The educational administration function was there-

fore seen to embrace this area as well. As contained in a report from King

to Struthers:

> "...another area in which the activity of the educational admini-
> stration is paramount is the area of developing programs and strategies
> to deal with the development of individuals who will be able to func-
> tion successfully in a new, more senior position in the future as well
> as being able to cope effectively with technological change now and
> tomorrow."[59]

Because of the limitations of time and staff Black had found that the

only way to accommodate many of the training requests in the past was to use

local sources, either professional training organizations or local univer-

sities and colleges. This meant that Black as co-ordinator had to have and

maintain current information on all programs offered in those cities where

the company had operations. To operate efficiently he also had to be

extremely knowledgeable about the content of these programs. He was in

fact a clearing house for information on educational matters. Black had

developed a simple system. The various organizations and institutions were

asked to place the company on their mailing lists. As the brochures were

received they were catalogued according to subject matter and filed for

reference. It was then relatively easy to select an appropriate program to

answer a training or educational enquiry of this sort.

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59. op. cit. Report King-Struthers

Before submitting the job description to Struthers, Black discussed the positioning of the executive in charge of educational activities with the vice-presidents of marketing and manufacturing. They added another dimension to the educational administration function; much of the development of new products and many of the new products that were being brought to market by the company were of a classified nature. If knowledge of them was leaked to competitors, it could damage the company considerably. However, some of these products required specialized training not only to manufacture but also to sell and service. It was therefore necessary in their opinion that educational administration must understand and appreciate what had to be classified and what was sensitive. Moreover, by being privy to what was being developed the educational administrator could better create thoroughly tested training programs well in advance and not be the cause of a delay in the introduction of these new products.

Based on the job description of the educational functions and the studies that had taken place and of all aspects of education and training, Black in presenting the job description to the president stated that all elements of the educational function could be delineated and clearly defined, that they were closely interrelated, and could be grouped together into a position with distinctly determined parameters. He suggested that the title "educational administrator" be given to this job. However, he concluded that after a great deal of thought and consideration he was still unable to recommend unequivocally where this position should sit in the organization structure.[60]

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60. Report: Black-Struthers, September 15, 1980

.46 Education function assigned

Struthers decided to delegate the entire educational function to Black and removed some of Black's other minor responsibilities relating to insurance and sundry administrative chores.

At the director's meeting, on February 25, 1981, immediately following the annual meeting of shareholders, in the appointment of officers that took place, Struthers in summarizing the duties of the officers of the company, mentioned that the education administration function was seconded to Black but did not commit himself on its executive nature or position.

It is too early to appraise the effectiveness of the educational function. There appears to be general satisfaction with the concept but this is based on a limited number of interviews and is in no way definitive. Budgetary controls are now in place and the procedures on learning and performance contracts are to commence shortly. The company now publishes a calendar of all the courses it offers including those originating at the regional and divisional levels. A senior management development program is underway and the company's management institute is ongoing.

A close working relationship is developing in training and education with a large U.S. chemical distributor and it is hoped that co-operative programs will be forthcoming in the next year or so.

But there have been a number of problems. The audit function of the steering committee has been dropped. The members of the steering committee do not have the educational and academic background to be able to audit education and training programs. The idea was copied from the accounting model but in the accounting model there are people within the company who have had years of experience in accounting and have advanced degrees in the subject. They are in every way experts in their field. The same is not true of educational activities in industry. Experts and knowledgeable individuals in this field are extremely rare.

The other area where considerable concern exists is in translation, and particularly in delivering a program in a language originally written in another. Invariably conceptual relationships are improperly conveyed. Costs of translation frequently run to 40 to 50% of a training budget. In a training and educational sense it means a complete duplication of all material, plus translation costs. The company is none-the-less adhering to its policy of offering all programs in both French and English.

Another cost factor is travel and hotel accomodation. The company has one series of product knowledge courses utilizing cassette tapes and programmed workbooks. This has been well subscribed to and is performing adequately for the present. However, the company has a computer systems network and Black is investigating computer assisted instruction (CAI). With the new authoring languages this appears to be a logical choice for the company in the future. There are indications that with new technology coming on stream that the educational function will grow accordingly. If the suggestion of

using video tape and discs is found to be cost effective then the function
will expand even more. But this is conjecture at this point.

As this case study was being completed, there is yet no commitment by
either the president of the company or the management committee to accord
the educational function executive status. Although Struthers admits to its
growing importance, he is not prepared in the immediate future to set up a
separate executive department to accommodate it.

C H A P T E R   7

DISCUSSION

.01 The increasing importance of education and training to business.

The educational function in business is increasing in importance, par-
ticularly in those industries that are in the forefront of new technolo-
gies. The universities are fast falling behind in up-to-date facilities and
scientific equipment.

> "The obsolescence of laboratory instrumentation and computer capa-
> bilities and the deterioration of the tools of advanced work are debi-
> litating consequences of the fiscal crises. Faced with budget prob-
> lems, universities cannot maintain laboratories in the physical or life
> sciences at the advanced state of the art".[1]

High technology companies now find themselves in the unenviable posi-
tion of having to train their own scientists. The same thing is happening
in less sophisticated industries such as the graphic arts. Advancements in
computers and electronic word processing are also having a major impact on
clerical and managerial work. Business is faced with having to train even
greater numbers of employees in the use of this new technology. However,
the growing complexity of these technological changes and the increasingly
rapid pace of these changes are not the only reasons that industry is being
forced into more training and education. There are social forces at work as
well. The concept of the quality of work life has entered the workplace and

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1. Charles J. Ping, "Bigger Stake for Business in Higher Education,"
    Harvard Business Review, Vol. 59, No. 5, September - October 1981,
    p. 128

supervisors, managers and executives must learn and adopt appropriate lea-
dership styles to accommodate it. Again the need for training and education
is apparent and, generally, industry is moving to meet this need but not in
a cohesive and orderly manner.

.02 The purpose restated.

The purpose was to undertake a case study of a medium sized company in
order to get a better understanding of its educational activities, their
scope and where the ultimate responsibility for these activities would
likely lie.

.03 The evaluation of the educational function.

Few companies have attempted to define their educational activities
with any precision. Instead, they seem content to assign the bulk of them
to a subsidiary responsibility of the personnel department and let the
balance fall under the authority of other departments. Moreover, education-
al and training activities are infrequently integrated and co-ordinated with
a company's long range plans and seldom, if ever, with the individual's own
career development and aspirations. In the company under study this was the
case until specific skill and knowledge deficiencies of a large number of
its branch managers were brought to the attention of senior management in
the process of amalgamating two companies.

The full appreciation of the company's educational activities evolved from the need for training these branch managers and to integrate them as smoothly as possible after a merger. This training project was given priority and a senior executive given the responsibility for carrying it out. Because the project was so successful, attention was drawn to other training and educational activities that were either taking place in the company, or were perceived to be required. As time passed more needs were recognized. Not only were more training and educational programs developed and undertaken but the range of programs grew to include executive development, counselling and career development. By the end of the case study practically all educational activities were the direct responsibility of a senior executive.

.04 Proliferation of programs and cost consequences.

The study demonstrates how unaware management had been of the extent and growth of training and educational activities within the company. These activities had gone largely unnoticed and costs were hidden in department's miscellaneous budgets. When the programs were identified and the costs isolated the sums and numbers were impressive for a company of its size. The senior vice-president had been experimenting with Q charts and the dramatic increase in cost is graphically portrayed in the Q chart in appendix E.

Management recognized the need to bring both its training and educational costs and activities into line and under control.

.05 Control mechanisms.

There had to be greater control of the budget. In two instances projects exceeded budget. There should have been a fixed and managed cost budget and a capital budget for equipment. These were missing from the educational activities carried out by the senior vice-president. At one point, much to the concern of the president, the expenditures on education and training greatly exceeded expectations.

The first and most obvious thing to do was to amend budget controls. This was done by removing training and educational budgets from a miscellaneous administration account and having them identified as a separate item in each department's budget. Where applicable each budget was broken down into a managed and a capital budget.

The cost benefit procedure was more difficult to establish. Management was not very successful in implementing cost-benefit procedures. In cost-benefit analysis, it must be management who spells out what benefits are wanted and how they are to be measured. It is the educational and training administration's task to guide and advise management in developing realistic measurements.

It might have been helpful to have a contribution budget or alternatively a revenue objective. This is only possible if the educational operation is considered a profit center, and it should be. Many education and training departments are starting to sell their services, not only to their

own organization, but to outsiders as well. This approach has the added advantage of encouraging management's interest as it is to their benefit to ensure that they get their money's worth as it comes out of their operating budget.

.06 Evaluation.

The attempt that was made at evaluation was noteworthy. Such efforts are generally lacking from most management development programs. However, the inability to random select the participants automatically ruled out a quantitative measurement based on statistical levels of significance. Moreover, results from management training are not immediately apparent. There is invariably a time lag of many months, and frequently years, before performance changes can be ascertained, during which time other change agents enter the picture obscuring the original teaching.

The state of the art precludes the use of elaborate statistical methods. The best that is available is summative evaluation on curriculum content and subjective evaluation of outcomes.[2]

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2. Determining the Pay Off of Management Training, Richard O. Peterson, ed. Paper No. 3, ASTD. Research Series (Madison, Wisc. A.S.T.D., 1979)

.07 The move to central authority

The study indicates that the company was moving towards a more cen-
tralized approach to its educational activities in order to gain greater
control over these activities. In the initial stages, educational activi-
ties were fragmented, decentralized, unorganized and uncoordinated. No cen-
tral authority existed. The delegation of a high profile and a high prior-
ity program to a senior executive undoubtedly eased the move to consolidate
all educational activities under one head. The fact that the person who
eventually ended up as head of the majority of the educational activities
was a senior executive is perhaps unique and, consequently, educational
activities were accorded status and importance that they would not normally
have had.

.08 An emerging role; the business educational administrator.

At the outset of the case study the company's educational and training
activities were carried out by different departments and divisions. The
managers in charge of these activities were not held accountable for them
other than ensuring they were within a budget that was at best only an
approximation. Only one program came under the direct supervision of a
senior executive. The fact that this program had to be custom built to meet
the specific needs of a group of managers started a chain of events that was
to lead to the discovery of a set of new functions, that of an educational
administrator.

The creation of this new program required needs analysis, curriculum development, pre and post testing of text material and the selection of a suitable learning system. Its implementation necessitated teacher training, the production of teaching aids, purchase of outside courses and the establishment of a procedure for cooperation with a local university. The executive in charge took on these responsibilities and was held accountable for them. In addition, he was responsible for the choice of facilities, budgetary control and the complete administration of the program, including scheduling and the co-ordination of faculty responsibilities.

Early in the planning stages of this program a task force and, latterly, a steering committee were established. Chairmanship of the steering committee devolved upon this executive.

By the second year the development of a product knowledge course was added to this executive's responsibilities. This required the selection of an instructional design that would meet the needs of the company's geographic character and its manpower allocation. It also meant the selection of and contracting with instructional designers to develop the course.

In the third year not only were more programs being added, but this individual was engaged in consulting, counselling, manpower planning and career development. As a consultant, he was working with other departments helping and advising them on their training activities. As an educational counsellor he was advising managers and executives on what outside programs

were available, when they were available, their cost and their suitability.
As a senior member of management he was involved in long range planning and
its adjunct, manpower planning.' As this study was ending he was engaged in
establishing a procedure for career development.

.09 Developing pattern of responsibilities

A discernible pattern can be seen developing in the study. As the
executive's responsibilities grew and expanded for educational matters, his
role was gradually changing to that of an administrator. Although, from the
beginning, it was a working role that required competencies in such subjects
as curriculum development, instructional design, teaching methodologies,
needs analysis and other educational disciplines, it was a single commitment
with a limited time frame. But as the case progressed more responsibilities
and activities were added. In a short period of three years the position
had grown to include staffing, delegation, teacher supervision, teacher
training, budget, cost-benefit analysis and executive policy formulation
relating to course and program content and selection, establishment of
performance criteria and learning contract procedures. Notwithstanding the
administrative role, there were unfolding non-administrative roles such as
program creation, counselling and career development as well. The position
and the role had undergone radical change. The fact that the work carried
out by this executive in educational activities was endorsed and recognized
by senior management is testimony that the work was considered important to
the company. Further evidence of senior management's interest in these
activities is their work in developing a job description and the effort

taken to define and better understand educational activities within the corporation.

.10 Differences between school administrator and industry equivalent

The study also illustrates that the task of educational administration in a business organization is entirely different from that of educational administration in schools and colleges. Certainly there are a number of similarities relating to learning and both are involved in overseeing the imparting of skills and knowledge and some forms of administration but the positions are essentially different. The school administrator is involved in labour relations, community affairs, public relations, facilities maintenance and disciplinary activity; the business educator seldom, if ever, is. Supervision of the school administrator is at a distance but is subject to review and assessment committees. The business educator's source of supervision and authority are usually on-site.

The business educator, as the study demonstrates, is intimately involved in all aspects of the learning process from program planning, curriculum development, course design and delivery methods through to completion. Business educators are more accountable in terms of performance outcomes, budgetary controls, salaries and staffing. They are also involved to a greater degree with counselling, consultation and career development. A major difference between the two jobs is the responsibility the business educator has in selecting outside courses and material, matching them to the company's needs and modifying them if necessary. The business educator also has complete freedom in the use of outside resources. Therefore the

study indicates that an educational administrative function exists in industry but it differs significantly in education administration as it applies to schools and the academic world generally.

.11 Organizational positioning of the educational function.

The question of placing the educational function in an organizational context is more difficult to answer. The problem rests in the difficulty in assessing the worth of educational activities in terms of cost and benefit to the company. In the study, senior management struggled with the problem and were unable to resolve it. Had they not shown the educational function to be distinctly different from the human resource development function their task might have been easier as there is sufficient evidence in the literature to indicate that the human resource function or the personnel function is a senior management responsibility.

In a study of twenty six union free companies, Foulkes found that one common characteristic of these firms was the fact that their personnel departments had access to and many were part of senior management. Many of the department heads were vice-presidents and half reported directly to the president. Some were members of the board of directors.[3] An example drawn from the American Management Associations Organization Planning Manual

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3. Fred K. Foulkes, "How Top Non-Union Companies Manage Their
   Employees, Harvard Business Review, Vol. 59, No. 5, September-
   October 1981, p. 128

places the human resources function at a senior executive under the control of a vice-president who reports to the president.[4].

According to Foulkes and Morgan, the formulation of personnel policy is a senior management responsibility. They cite Honeywell as an example of a better run company where there exists an executive employee group relations committee made up of ten vice-presidents, five from group operations and five from staff. This committee is essentially a policy forming board and employee relations proposals, once approved, have almost immediate acceptance throughout the organization and are readily implemented.[5] This confirms the finding in the case study that the influence of the management committee was a factor in the success that the educational programs were having.

Foulkes' writing on how top non-union companies manage their employees enumerates job security and profit sharing as being major contributors. An additional way is through innovative training programs as carried out by Hewlett-Packard. According to Foulkes, the personnel department is extremely influential in successful companies and is centralized to a high degree.[6]

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4. Joseph J. Famularo, <u>Organizing Planning Manual</u>, (New York, Amacom, a Division of American Management Associations), 1979 revised edition, p. 59, chart 26.

5. Frederick K. Foulkes and Henry M. Morgan, "Organizaing and Staffing the Personnel Function," <u>Harvard Business Review</u>, Vol. 55, No.3, May-June 1977, p. 146

6. Foulkes, <u>op. cit.</u> "How Top Non-Union Companies Manage Their Employees," p. 93

However, there is ample evidence in the study to indicate that educational activities can be grouped together into a comprehensible, distinctive and cohesive function, separate from personnel and can be considered a major executive responsibility in its own right. Unfortunately, the study does not shed any light on the relative position of the educational function in relationship to other senior management functions. Therefore, it is necessary to refer to the literature to get some idea as to where the educational function might be positioned.

.12 Differences between human resource development/personnel and education/training.

It has been the custom to delegate education and training to either the personnel department or to the human resource development department. This has had the effect of minimizing the importance of the educational function. According to Bowen organizations confuse human resource development, management development and education. Neither human resource development nor management development is education or training. Management development is the growth in an individual's ability to make the right decisions under pressure and adversity while human resource development is the increasing improvement in performance and productivity.[7] Education and training provide the basic knowledge and skill for development to take place.

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7. Charles P. Bowen, Jr., "Let's put realism into management development", Harvard Business Review Reprint Series No. 21196, "Training and Developing Executives", p. 59

Human resource development involves all levels of management and is basic to the task of managing. In managing human resources there are numerous conflicts and dichotomies. These conflicts derive mainly from the difference between a corporation's goals and those of its employees. The goals of the corporation are long term while its staffs' are more immediate and short term. The corporation's objectives are profit, growth and survival; the individual's needs relate to wages, working conditions and promotion. There are also many conflicts in human relations theories. They range from human relations, behaviourism, organizational development, labour relations to personnel management and industrial engineering. A comprehensive unifying concept has yet to be found.[8] Human resource development and personnel departments are attempting to apply all these theories to business situations and sometimes all at the same time. The results to date have been far from satisfactory.

It is Skinner's contention that "critical problems in the corporate management of personnel, such as the place of human resources management in corporate decision making, the role of personnel staff, and a lack of sufficient human resources management know-how at top management levels, remain largely unresolved."[9] Therefore, even if personnel management is

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8. Wickham Skinner, "Big Hat, No Cattle: Managing Human Resources, Harvard Business Review, Vol. 59, No. 5, September-October 1981, pp 108-114

9. ibid, p. 108

placed at the senior level of the hierarchy, the executive responsible must be competent in human relations theory and behavioural sciences.[10]

There are therefore major differences in the competencies required to perform either the HRD/personnel function, the HRD/training function or simply the education function. The research uncovers the competencies required to carry out the educational function. They range from the practice of education to the practice of administration. Competencies needed for the personnel or the human resource development function are rooted principally in human relations theory and behavioural science. The educational function requirements are based on the application of the principles of education and the administration of learning activities throughout an organization. Based on competencies alone there is a distinct difference in the functions.

The arguments supporting the personnel function as an executive responsibility cannot be used to support the educational function in a like manner as it is suggested from the research that the educational function is a unique and separate function. The following inventory of competencies underlie the administration of educational activities.

10. Jay W. Lorsch, "Making Behaviourial Science More Useful," Harvard Business Review, Vo. 57, No. 2, March-April 1979, pp 171-180

.13   Inventory of competencies for corporate educational administration

identified from the case study

A. Education and training
    a) Educational psychology
        i)   Learning theory (learning and cognitive processes in adult
              education)
        ii)   Essentials and applicability of psychological testing (in
              an adult environment)
        iii) Use and application of examination procedures (also design
              of tests)
    b) Curriculum development (Including evaluation techniques)

    c) Methods of delivering instruction (action learning, teacher-
       classroom, group learning techniques, correspondence etc.
        i)   Instructional design.
        ii)   Instructional technology (Media techniques etc.)

    d) Competency based education.

B. Research Methodology
    a) Needs analysis methods and procedures
    b) Educational research methodologies
    c) Analysis of learning tasks

C. Evaluation Methodologies
    a) Teacher/trainer evaluation
    b) Program/course evaluation (in-house, outside programs and
       courses)
    c) Educational/academic organizations
    d) Cost-benefit analysis

D. Counselling
    a) Career counselling
    b) Academic counselling
    c) On-the-job programs

E. Administration
    a) Policy, formulation (developing education/training policies)
        i)   learning contracts

b) Organization and management
   i)   staff including part-time
   ii) programs and educational activities
c) Long range and strategic planning techniques:
   i)   educational activities
   ii) educational role in manpower planning
d) Supervision of on-the-job training programs
e) Joint programs:
   i)   co-op programs with academic institutions
   ii) shared programs with other institutions
f) Comunication:
   i)   methods of keeping management and employees informed of
        educational activities
   ii) promotion of educational activities
   iii) reporting methodology
g) Group dynamics
   i) steering committee, task force, etc.
h) Management information systems
   i) financial control (budgets, etc.)

F. Legal and government
   a) Contract law
   b) Managing shared cost programs with government agencies
   c) Human rights legislation

G. Organizational Subjects (minor)
   a) Organization theory
   b) Organizational behaviour
   c) Theories and methods of organizational change

These competencies indicate that the position of educational admini-
stration implies a professional status that demands a strong academic back-
ground. They also suggest that the position is a senior management one.
Could they in fact indicate what that position should be?

.14 Competencies and organizational position:

Because education and training are usually associated with either the
human resource development or the personnel department, training managers
also have a power problem. The reason that training and education staff

executives do not have sufficient power or authority within an organization is because of their dependence on other managers, particularly those of whom are line.[11] This was not evident in the case as the person in charge of training was a senior vice-president.

However, their lack of authority results not only from their dependency on other managers for support, but because of their lack of professionalism and competency in learning theory and educational practice. Few, if any, apply appropriate methodology and instead rely on theories that are either out of date, or have not been properly tested. They succumb to fads, either ignore evaluation or carry it out in a very haphazard fashion, seldom if ever engage in research and infrequently define performance that is sought.[12] At least, the actors in the case recognized their shortcomings and did make an attempt at evaluation based on performance criteria, although the findings were inconclusive.

According to Hultman, the road to greater power for the educationalist is to develop training and education objectives very clearly, to elicit the support of managers whose staff is involved, and to evaluate results against both learning objectives and performance objectives.[13]

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11. David C. Calabria, "Power and The Training Manager" Training and Development Journal, Vol. 34, No. 12, December 1980, p. 54

12. Jack Zenger, "The Painful Turnabout in Training", Training and Development Journal, Vol. 34, No. 12, December 1980, pp. 36-49

13. Kenneth E. Hultman, "Increasing Your Leaverage with Line Managers", Training and Development Journal, Vol. 35, No. 9, September 1981, pp. 99-105

Therefore a professional and disciplined approach supported by a sound academic background is the first step for gaining stature in a position and executive potential. Examining the competencies required to fill the position of educational administrator adequately indicates that professional training in education is a necessary prerequisite. If the position requires professional status it cannot be regarded as anything less than an upper middle management position. As the case study shows, not only must the manager responsible for educational activities have a strong background in educational theory and practice but must be a competent administrator. Furthermore a professionel standing will enhance the role.

.15   Role as a contributor to authority

Today there is a steady movement away from hierarchical organizations to more informal matrix type structures. In a hierarchy, role is confused with level. The higher the level in the hierarchy the greater the authority and power. Usually the financial rewards and promotion are sequential, roles are never. However, some individual's roles have much greater influence than their levels might indicate. A famous example in history is Cardinal Richelieu, "L'imminence grise" and his influence with King Louis xiii and the French court. In many ways, the key to an educational administrator's position within an organization is dictated not so much by the position but by the role he might play. For the individual to be able to attain a great deal of authority through the medium of a role is extremely difficult and tenuous at best but it can be aided and abetted greatly by the "aura of professional credentials".

In any event, authority through role manipulation may be a workable strategy in theory, in practice it demands the utmost skill and astuteness. Business organizations have not evolved culturally to a state to support such a relationship. It was noted earlier that, power seems to rest in the position and not in the individual. As Kanter states, staff specialists are particularly prone to powerlessness within an organization.[14]

> "As advisors behind the scenes, staff people must sell their pro-
> grams and bargain for resources, but unless they get themselves
> entrenched in organizational power networks, they have little in the
> way of favours to exchange."[15]

Throughout the study there existed frequent communication with managers and executives at all levels concerning all aspects of educational activities that would be or were taking place. Through the management and steering committees this person was in constant touch with the key decision makers within the company.

.16 The roles of consulting and counselling

But the case study uncovers a very interesting factor which has been overlooked in the literature. The executive in charge of special educational programs although he is in the study an executive had to deal with the executive group including the president on a one-to-one basis. At U.A.C., this person was consulted and counselled on the selection of executive and management development programs. In addition, he developed a media

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14. Kanter, _op. cit._, p. 70

15. _idem_. p. 72

appearance course designed exclusively for the company's executives. Coun-
selling and advising in this fashion, not only brought the educational
administrator in direct contact with the executives involved, but also built
an inter-personal relationship not unlike a lawyer-client or a doctor-
patient one. This alone is a source of tremendous power and leaverage with-
in the organization.

The role therefore has potential for gathering unto itself a great deal
of authority, status and recognition but it is a moot point if this poten-
tial can in practice place the position at a senior level in an organiza-
tional sense. There is sufficient evidence from the research that role can
play an important part in according status to a position but personality,
experience and competency would also be important factors.

.17 Other attributes promoting executive status:

Other factors suggest that the educational function merits executive
status. Through his educational activities, the executive responsible was
becoming involved in strategic, long range and manpower planning. These
activities are all senior management functions and it is important to note
that this executive had not been involved in them prior to his participation
in education and training.

Although it is far from definitive in the case study, the individual
directing training and education is generally responsible for the integra-
tion of the company's management and leadership styles in training

programs. In addition, he is also accountable for explaining and communica-
ting the goals, aims, objectives and values of the company through all pro-
grams. He is possibly the one individual within the organization who is in
fairly constant touch with most employees at all levels. Consequently, in
order to articulate the company's objectives, goals and values, he should be
in intimate contact with top management.

Therefore, the person in charge of educational activities must not only
have a broad range of professional and academic competencies but must also
be intimate with the company's long and short term goals, straddle many
levels of management, accommodate management's leadership style, interpret,
apply and explain company policies. These are all attributes of a senior
manager.

.18 Allocation and control of financial resources

Nothing will accord a position more status than the amount of financial
resources, capital and staff that the incumbent in the position receives and
controls. As greater sums are spent in education and as larger facilities
are acquired, greater status and position will logically follow.

.19 Positioning of the educational function in the oganization:

From this study a pattern of educational activities emerges that
appears to have gone unnoticed by experts in the field. Most authorities on
the subject of company training have restricted themselves to the training

function and have omitted many of the other areas of educational activities. This study uncovers and identifies many more facets of the educational function in an organization. These activities encompass management and technological education, cooperative programs, in-house and external courses, career development, educational counselling, consultation on educational matters, on-the-job training, executive development, establishment of standards and the administrative responsibilities associated with these activities. They were identified in such a manner that they could be grouped together as a single functioning responsibility. Management in the study was able to establish a job description for this position to which they gave the title of educational administrator.

From the analysis of various components or segments of this job it is possible to state that the position warrants senior management status. Placing the position in the organizational structure is more difficult to do and in the study remained unresolved. Were some clues to its positioning overlooked by the actors in this case? To answer the question it is necessary to review the company's present organization structure and current literature on patterns of organization.

From a standpoint of evolutionary change, U.A.C. can be considered in a "revolutionary" phase.[16] This is to say, the organization is undergoing rapid change because of the merger. This makes it even more difficult to decide where the educational function should be placed.

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16. Larry E. Greiner, "Patterns of Organizational Change," Harvard Business Review, Vol. 45, No. 3, May-June 1967, pp. 119-130

In reviewing the literature, a number of writers have suggested that the current hierarchic organizations have had their day. Some, such as Warren G. Bennis, suggest that they are on the decline and have reported as much. A shift to more participative, matrix and project type approaches is consistent with present management attitudes and theory. Those promoting the participative approach, such as Harold Levitt of Stanford University, advocate,

> "decentralization, wide spans of control, flat structures, expanded jobs, the elimination of job analysis, expanded use of committees, the creation of temporary project teams, the elimination of line-staff differentials, more group decision making, the abolition of control procedures, increased horizontal and two-way communication, acceptance structures rather than formal authority structures and above all else, greater equalization of power throughout the organization."[17]

Others appear to seek the abolition of structure almost entirely and substitute an informal organization for a formal one. From the evidence available, it seems premature to conclude that a participative style will prove effective for most large organizations.

It is impossible to plan tomorrow's organizations on today's experience. There are indications that organizations are increasingly considered a community rather than a bureaucracy. Thus, if a participative style of management is impossible contractural forms of individual and group employment are likely directions in which organizations are headed. In this respect, Black's suggestion that the management institute be established as a

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17. Robert N. McMurray, "Power and the Ambitious Executive", _Harvard Business Review_, Vol. 51, No. 6, November-December 1973, p. 155

separate entity in its own right with its own staff, in effect a subsidiary is in accordance with this view. As a subsidiary it would have complete autonomy and could sell its services to the rest of the corporation and maintain its own profit and accounting. Managers could pay for the institute's services out of their own budgets. The institute could be headed by a president (a full time executive devoted solely to the administration of the institute and) who would also be a member of the company's management committee. The institute would be placed on a profit footing and its services could be marketed outside the company.
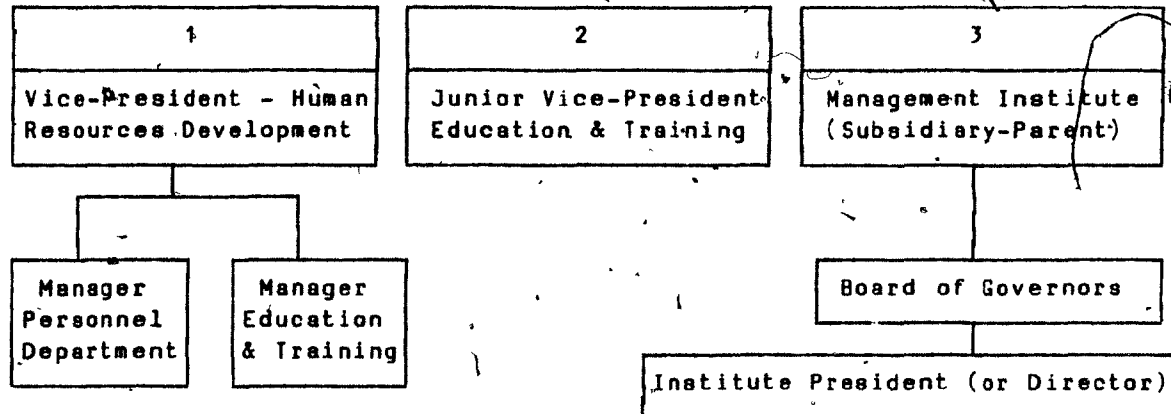
Spinning off the educational function as a separate organization certainly has merit. In addition to the points already noted it would operate with a fair amount of impunity at all levels of the organization and it could receive additional power, prestige and leverage by having a board of governors made up of the senior executives of the company. Perhaps, this is the solution for most companies with extensive educational involvement to follow. In U.A.C.'s case, it is possibly too early to make such a commitment as the educational function could undergo further change and modification as the company enters its stable evolutionary stage. But the suggestion does warrant consideration and a prototype model might be tried on an interim basis.

An alternate model to the institute, would be a separate educational department, but the drawbacks of a subservient role would exist and would have to be overcome.

Three organizational structures are possible.

E X H I B I T   1 7

POSSIBLE STRUCTURES FOR EDUCATIONAL ADMINISTRATION

1	2	3
Vice-President – Human Resources Development	Junior Vice-President Education & Training	Management Institute (Subsidiary-Parent)

Under structure 1:
- Manager Personnel Department
- Manager Education & Training

Under structure 3:
- Board of Governors
- Institute President (or Director)

As Daniel makes clear, whatever structure is chosen, it must be remembered that:

> "The principles of organization, in short, are a double edged sword. Employed with skill and with discretion, they can be useful in defining and refining an organization structure. Applied insistently and inflexibly, they can result in a rigid bureaucratic organization structure poorly attuned to a company's unique needs."[18]

.20   Benefits of separating the educational function:

Not only does the physical separation of the educational function overcome many intra-organizational drawbacks, which were shown to exist in the case, but also extends to the educational administrator's executive status.

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18.   D. Donald Daniel, "Reorganizing For Results," Harvard Business Review, Vol. 44, No. 6, November-December 1966, p. 97

There is an added advantage to a separate and distinct educational function. Businesses look to educational establishments for assistance. It follows that it would be easier for educational institutions to relate to an industry based one. Regardless of the difficulties in business-academia collaboration, it is a growing trend and there are many thousands of co-operative programs presently underway.[19]

Wherever the educational function is placed, one thing is certain, it must support the organization's goals and objectives. All programs and all educational efforts must therefore be effectively administered. It cannot function in isolation and must relate directly to the survival and growth of the company.[20]

.21   Other observations on the case study:

The company was far ahead of its time in examining learning contracts and making a start with them on outside management courses. It will assist management greatly in assessing the worth of its spending on educational activities.

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19.   James W. Wilson, Models for Collaboration: Developing Work Education Ties, American Society for Training and. Development, August 1980, Monograph ·

20.   William M. King and Robert A. Roth, "Impact - Directed Training," Training and Development Journal, Vol. 35, No. 11, November 1981, pp 64-69

.22   Summary of discussion:

The case study found that there are a group of activities that can be
isolated, identified and brought together under a single functional res-
ponsibility. It documented the evolution in one organization, the devel-
opment of a new position, the corporate educational administrator.

An examination of the various tasks that made up this position estab-
lishes the fact that the person filling this post requires a wide range of
professional and academic competencies.

Based upon an anlaysis of these tasks and the knowledge-skill compon-
ents required to carry them out indicates that the position is an upper man-
agement one but its relationship to other senior management positions was
not resolved.

Of equal importance is the fact that the relationship of educational
activities as a separate and distinct responsibility with the personnel or
human resource development function remains unresolved. The case study did
not elaborate on the personnel function or the human resource development
one. Although these activities and responsibilities were not examined in
detail there are indications that the educational function differs from
personnel and HRD ones. It is evident that education and training were
considered important to the growth and survival of the company. The number
of references to it in the management committee and board minutes attests to
this fact. The interest of the president in educational matters within the

company is yet another indication of executive recognition of its importance. Another indication of management's acknowledgement of the educational function's importance is their recognition of the management institute.

Finally, the function of the corporate educator, although similar in some ways to that of the school administrator, diverges in many important areas, and its major characteristics demonstrate it to be a fundamentally and uniquely different profession.

The outcome of the study was threefold: it identified all educational activities within an organization, it grouped these activities into a discrete and recognizable function, it demonstrated that this educational function is unique to most enterprises and that the person responsible must have a wide range of very specific competencies.

C H A P T E R   8

CONCLUSION

The study opens up a number of interesting and timely avenues for further research and investigation. Some of these issues have far-reaching implications for the country's post-secondary schools, lifelong education and quality of work life in general.

The first issue raised is paramount to the whole question of in-service and business sponsored education. Is business involvement in education of a temporary nature or is it a permanent long term feature in business operations and is it an increasingly commited one? The material gathered in the case study and supported by the literature would indicate that such was the case. The evidence supports the contention that business' commitment to and participation in educational activities is not only rising but is a positive and a permanent phenomenon. Moreover, it appears that it will be so far into the future. But is what is happening at the company in the case study typical of most industrial and commercial enterprises? To answer these questions mnore intensive research is required at the earliest possible date to establish the trend accurately, to assess the extent of business involvement in educational activities and to examine its possible effect on post-secondary education.

A second issue follows as a condition of the first. If business involvement in educational activities is a permanent and growing condition,

how should education be administered within a business organization? And
the corollary of this question needs to be answered as well. How should the
function be structured and where should its responsibility lie? Findings in
the case study would indicate that the educational function is a separate
and distinct collection of interrelated functions that fit into a logical
and functional managerial position. However, is this the only alternative
available? Are there other equally logical possibilities? Is in fact a new
role of corporate educational administration emerging? These questions
raise the necessity for further research. The discussion suggests that a
research method for resolving these questions would be to construct proto-
type models and test them under actual business conditions.

A third issue that the study reveals is the difficulty in resolving the
interrelationship between the personnel, human resource development and edu-
cational functions. These relationships proved difficult to determine in
the study and, at the end, no satisfactory solution had been found. The
literature testifies to the difficulty that business is having in defini-
tively defining the human resource development function. No general agree-
ment on job content or job description exists for the function. Although
outside the frame of reference of this study, a great deal of fruitful
research can be undertaken in getting a better and more current under-
standing of how the human resource development function should operate in an
organizational setting. The study, while recognizing the differences
inherent in the human resource development function and the educational
function, gave no clues on how the former should be structured or what its
relationship should be with the latter.

A fourth issue raised by the study is that of the appropriateness of the types of learning methodology that were used. There was widespread agreement at the senior management level and among the board members that formal training was necessary for efficient and productive operations and to provide a talent pool for management, technical and clerical positions. They supplied the funds necessary but nowhere is there any evidence of questioning the learning methodology that was adopted. A number of interesting research questions can be posed in the light of this lack of concern. Broadly speaking, what is the relative effectiveness of the various methods of teaching and learning currently in use, in business? And furthermore, what is the most effective training methodology for business sponsored education?

A fifth issue uncovered in the case study is that of evaluation. The work in the case study is inconclusive and points to many areas in which research is required. Evaluation is a major area for research and, from the case study, some of the questions that are brought to the forefront are:

- What is the purpose of the evaluation - program improvement, performance improvement, or what?
- In evaluation, how can environmental factors be controlled?
- In the absence of randomness, how can evaluation be statistically validated?
- Can methods of evaluation be designed to measure the effect of training and education in organizational performance?

Certainly these are major areas for investigation.

A sixth issue raised in the case study dealt with co-operative programs with outside agencies and, with academic institutions. This opens up

another whole field requiring intensive study. This prompts two questions for study. "What are the most effective means of collaboration between business and the school system and what are the most effective uses of staff and facilities from both institutions?" The establishment of satisfactory formats to all groups could have wide ranging and exceedingly beneficial results for both industry and the educational system.

On a more philosophical plane, there are a number of lines of investigation that might be pursued. Are we seeing a new form of institutional education developing and, if so, what shape is it likely to take? Will we see in the future an interchange of staff between the business organization and the academic institution? As business is pan national and frequently international, what role will the respective levels of government play? It is far from certain what the precise form of work-life education will take but there is ample opportunity to search out present trends.

The study also deals with a number of other subjects which would provide material for future research. One of these are learning contracts which are being investigated extensively by the Japanese. Another is career development. A great deal of research is being carried out in this area but more has to be done to link it effectively with a company's long range plan and manpower requirements.

In conclusion, the data derived from this study strongly supports the contention that the educational administrative function is emerging as a distinct and senior management responsibility. Moreover, its importance to the organization is growing rapidly.   In this case management realized that the growth of the company and its survival were predicted on a well trained and educated staff. Finally, it is suggested that the educational function should be of, rather than in, the organization that it have some degree of autonomy, that it serve all levels of the organization and that it should be held accountable for results.

BRANCH MANAGERS' TRAINING PROGRAM

COURSE OUTLINE

1. Company philosophy:

   a) Brief resumé of the history of the Company

   b) The Company organization

   c) Definition of the Company's business

2. A general review of a wholesale distributor

   a) A concise description of the main functions of a wholesaler distributor that are the major contributors to the survival, growth and profit of a branch.

3. Financial management for branch managers

   a) Understanding financial definitions and accounting terminology, e.g. assets, liabilities, capital, depreciation, cash flow, return on investment and return on capital employed.

   b) Applying accounting principles to branch operations.

   c) Interpreting and analyzing accounting reports. Analyzing strengths and weaknesses, pinpointing trouble spots, etc.

   d) Guidelines for developing a budget

      i) Capital appropriations and expenditures

   e) Financial management of assets

      i) Credit and collection and accounts receivable

      ii) Inventory: selection of stock and turnover

      iii) Equipment: maintenance vs. replacement

   f) Cost behaviour and control

      i) Fixed and variable costs

      ii) Break even analysis

      iii) Profit graphs

,g) Pricing, mark-ups and standard costs

    i)   Allocation of rebates

4. Systems and Procedures

   a) The Sell Cycle: Customer order writing, back orders, follow-ups, enquiries, pricing, credit, shipping, delivery, invoicing, accounts receivable, statements and overdue charges - computer systems.

   b) The Buy Cycle: Order preparation, follow-up, inventory control (kardex), inventory management, costing, receiving-computer systems.

   c) i)   Warehouse Systems: Storage and layout

      ii) Delivery Systems: Delivery and routing

   d) Payroll system as it applies to branch operations

   e) Measuring of efficiency, monitoring the system and the use of the operations check list

      i)   Service standards

      ii)   Inspection procedures

      iii) Locating and solving problems in a malfunctioning system

5. Company Policies

   a) Personnel Policies:

      i)   Salary, wages, overtime and wage adjustments, salary compensation, incentives (M.B.O.), other compensation.

      ii)   Benefits; major medical, life, U.I.C., W.C.C., salary continuance, holidays, vacations, etc.

      iii) Personnel policies and record keeping

6. a) Introduction to Branch Marketing. How the branches objectives relate to those of the company. Identifying the nature of the markets in which the branch operates. Assessing market share of competition and competitive products.

   b) Basic profit concepts on marketing; cost/profit analysis. Pricing strategies open to the Branch Manager.

c) Product Knowledge

    i)   Concentration: Products that can and do produce 80% of branch sales. W.A. course on industrial products; supplier-dealer instruction.

    ii) Sources of Supply (Use of H.O. expertise and staff)

    iii) Competitive products and alternative sources of supply.

d) Communications in marketing - the branch, head office, the customer, source of supply.

e) Understanding the merchandising function

f) Personal selling skills

g) Advertising and public relations

    i) Sales promotion

    ii) Public speaking

    iii) Trade association membership and involvement

7. Supervision and Management of Staff

a) Recruiting staff. Understanding the hiring process within Company policy.

b) Making and updating job descriptions. Defining the actual work to be done.

c) Understanding supervision

    i) Delegation

    ii) Planning for the future; replacements.

d) Counselling and guiding

e) Motivating employees to achieve. Measuring and controlling performance using effective appraisal techniques, developing a standard for measuring how well a job is done. Reviewing performance on a regular basis.

8. Communication skills for managers

9. Management by Objectives:

    i)   The importance of objectives

    ii) Establishing priorities and avoiding pitfalls in setting
         objectives

    iii) Relating objectives to the Company's immediate and long-range
         objectives

    iv) Getting staff support

    v)   Getting management's approval

10. The Planning Function for Branch Managers

    Bringing together all aspects of the operation of the branch. Tying
    in objectives with the day to day operations of the branch. Operating
    your own business.

    Planning and evaluation techniques necessary to manage a branch
    territory. Forecasting requirements and methods.

11. Self Audit Kit for a Branch

    Rating achievements against objectives of a branch and with other
    branches within the organization.

A P P E N D I X   B

Percent Change Over 1 Year

	SALES	R.O.I.	EMPLOYEE TURNOVER
London:	41.4%	15.2%	(62.1%)
Winnipeg:	21.1%	16.6%	(89.2%)
Calgary:	35.9%	(0.1)	(11.1%)
Edmonton	25.8%	0	(37.8%)
Vancouver	34.8%	17.1%	(41.9%)
Victoria	21.8%	12.7%	(28.1%)

Figures in brackets indicate a decrease.

A P P E N D I X   C

SOURCE OF SUPERVISION   (What type of Supervision does this position normally receive?)

SCOPE OF SUPERVISION

With respect to educational activities only

TITLES
1. Administrative assistant
2. Steering Committee
3. Task Forces

(List the titles of subordinates reporting directly to this position).

NO. OF EMPLOYEES
1

FINANCIAL RESPONSIBILITIES   (Describe the extent to which the position presents opportunities for producing financial or other gains and benefits for the Corporation, or for preventing financial or other losses).

1. Operates within budget allocated
2. Approves educational assistance
3. Approves head office and divisional educational charges

DATE COMPLETED: _____   APPROVED BY: _____
                                                    Immediate Supervisor

SUPERSEDES: _____   APPROVED BY: _____
                                                    Department Manager and/or
                                                          President

No.	Key Responsibilities	AUTHORITY CODE
1	Defines those areas where training is needed	
2	Establishes and determines job skills in which training is needed (this presupposes the knowledge of all occupations within the company and how they can be broken down into elements or steps for training and learning purposes).	
3	Reviews appraisals and staff evaluations:	
	a) notes individual performance weaknesses and recommends remedial training	
	b) notes potential and in consultation with immediate supervisor or manager, recommends a course of study and/or training for future positions to which the employee is most likely to be promoted.	
4	Establishes "on the job" training programmes through cooperation and coordination with managers and supervisors directly involved.	
5	Constructs courses with content and training aids for "on the job" training.	
6.	Coordinates management development programmes in consultation with senior executives.	
7	Sets up training schedules for both "on the job" training and management development.	
8	Responsible for the training of trainers, managers and supervisors involved in training as well as self training	
9	Evaluates training programmes.	
10	Consults and advises management on semi-annual evaluation and appraisal reviews	
11	Advises line managers on setting criteria for specific selection decisions.	
12	Consults with and advises management on the use of an external training consultant.	
13	Participates in group training	
14	In cooperation with senior management, carries out an analysis of managerial jobs and assesses present and future needs at the management level.	

AUTHORITY CODE: 1) Full authority to act
                   2) Act, then inform supervisor
                   3) Must consult with supervisor before acting
                   4) Must consult with others before action is taken.

NOTE*   INDICATE CODES APPLICABLE IF MORE THAN ONE CODE APPLIES.

b.	Key Responsibilities	AUTHORITY CODE
15	Develops a system of personnel records with periodic appraisal procedures.	
16	Consults with the personnel department in recruitment, selection and appraisal of employees, including managers.	
17	Keeps abreast of developments in management education and outside training courses and advises executives on the use of these programmes.	
18	Provides facilities for screening executive candidates within the company to identify the best qualified man for vacancies regardless of their current assignment.	

AUTHORITY CODE:
    1) Full authority to act
    2) Act, then inform supervisor
    3) Must consult with supervisor before acting
    4) Must consult with others before action is taken.

NOTE* INDICATE CODES APPLICABLE IF MORE THAN ONE CODE APPLIES.

POSITION DESCRIPTION

CORPORATE EDUCATIONAL ADMINISTRATOR

Descriptions

Basic Functions

1. Responsible for the administration of all the Company's educational activities - training (including OTJ), management and executive development programs.

2. Responsible for planning, creating, organizing, managing and evaluating the various educational activities of the Company.

Financial Responsibilities

1. Recommends and operates within budget.

2. Final authority and approval of divisional educational budgets.

3. Final authority and approval of educational assistance.

Specific Responsibilities

1. Formulates educational policy in accordance with Company policy and philosophy and ensures that policy is reflected in all educational activities.

2. Supervises the conducting of needs analysis.

3. Plans, creates and implements programs:

    a) Based on needs analysis

    b) As requested by corporate or divisional management

3. Communicates educational undertakings and activities to:

    a) Management group

    b) Company personnel

    and issues memorandum and reports pertinent to educational activities. In addition, publishes a schedule of activities and an annual report.

5. Administers and arranges facilities and authorizes use and purchase of equipment within budget set

6. Administers own and staffs M.B.O. programs

7. Develops and maintains records pertinent to educational
    activities

8. Supervises and approves:

    a) OTJ training

    b) Divisional activities

    c) Sales training

9. Co-ordinates management development programs for senior
    management

Organizational Relationships

1. Reports to the President

2. Maintains special relationship with Vice-President, Corporate
    and Human Resource Development

3. Member of Management Committee

4. Chairman of Steering Committee

5. Member Manpower Planning Committee

Non-Functional Relationships

1. Career planning: Establishes career planning procedures

2. Consultant to:

    a) line management on line originating programs

    b) executive group on self-development programs

    c) management group on self-development programs

3. Counsellor in:

    a) Source of programs from private organizations

    b) Source of programs from academic institutions

Principal Tasks

1. To develop, plan and organize educational programs -

a) Curriculum: content analysis, sequencing evaluation etc.

b) Instructional design: selection, pre & post testing

c) Production (P.E.R.T.)

d) Scheduling

General

Defines those areas where education/training is needed.
Establishes and determines job skills in which training
is needed (this pre-supposes the knowledge of all occupations
within the Company). Establishes skill-knowledge components
of tasks and jobs for training and learning purposes.

Reviews performance appraisals, noting individual performance
weaknesses and recommends remedial training. In addition
rates potential and recommends course of study and/or training
for future positions.

Assists with development of "on-the-job" training programs
and assumes that they are instructionally sound and valid.

2. To evaluate procedures of -

a) Programs

b) Performance/competence

c) Cost benefit

d) Teacher/trainer

3. To select training technologies

a) Management of media production

4. To contract with - and select - and liaise with

a) Sub-contractors

b) Academic institutions

c) Private companies

d) Consultants

5. To select and maintain -

a) Facilities

b) Equipment

6. To consult with personnel department on recruitment, selection
and appraisal of employees, including managers.

7. To provide facilities and materials for screening
   executive candidates within the company to identify the
   best qualified for vacancies pending.

Direction: All or any of these tasks may be delegated but the
            final responsibility rests with the educational
            administrator. Measurement and criteria of
            successful (adequate) performance will be established
            in accordance with the Company's MBO procedures.

Basic functions:

1.) Responsible for planning, organizing, directing, coo
    evaluating and administering all company in-house program.
2.) Responsible for the selection, purchase complementarity,
    bility, evaluation of all outside programmes.
3.) Responsible for establishing the standards for all programmes.

Specifically:

1.) Formulates the objectives of all programmes.
2.) Conducts needs analyses as acquired and as requested.
3.) Ensures that all programmes follow sound and accepted educational
    and learning practices.
4.) Evaluates all programmes against cost-benefit parameters and per-
    formance standards.
5.) Operates within budget allocated.
6.) Manages staff in accordance with departmental objectives and
    standards.
7.) Accountable for results against objectives set.

Special Relationships:

1.) Adviser to management on all educational and training matters
    relating to productivity, job-performance and staff development.
2.) Number of strategic and long-range planning group.
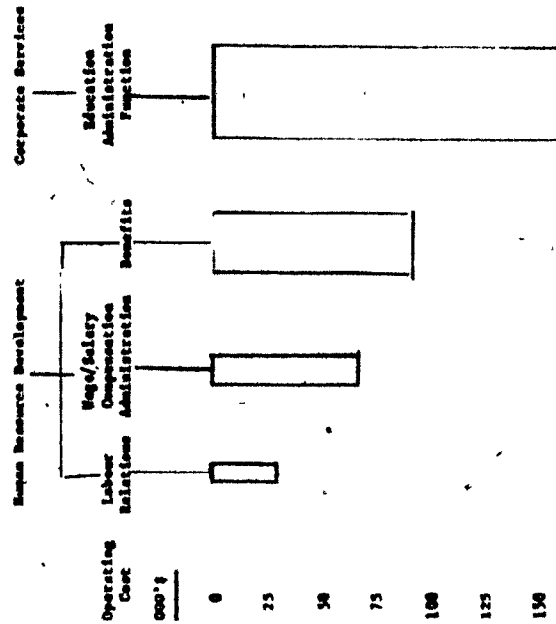
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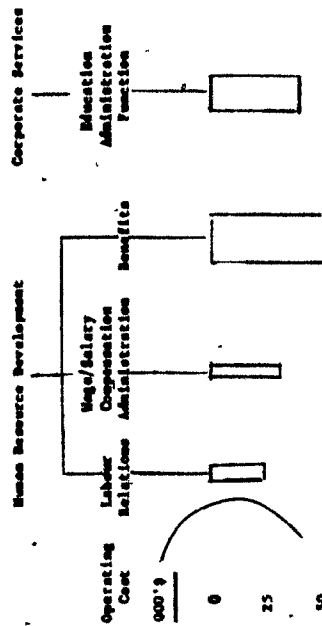
1980

* each division represents 50,000 dollars

1978

* each division represents 50,000 dollars

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