JOURNAL of PRACTICAL CONSULTING

Editor's Note

Bramwell Osula
Regent University

In this issue of *JPC*, we continue to explore a range of issues that are pertinent to the development of practical consulting. The articles gathered here cast a wide net that will be familiar to regular readers. Our ongoing commitment to a broader definition of consulting is reflected in the range of themes covered and perspectives represented here.

Saroj Upadhyay's reflections on multinational corporations and effective business strategies for participation in an emerging market economy set a global framework. Increasingly, consultants are having to come to terms with the realities of doing business on the world stage. Understanding some of the dynamics at play and devising strategies for capitalizing on opportunities is part of what Dr. Upadhyay's article explores. Linking the global or macro to the specific organizational is obviously central to effective practical consulting.

Carrie Ballone's *Consulting Your Clients to Leverage the Multi-Generational Workforce* examines the critical subject of consulting within a multi-generational workforce. The article challenges the reader and seeks to raise client's awareness about members of other generations. Practical suggestions are offered for bridging the perceived or real gap between Builders, Boomers, Busters, and Bridges.

This takes us to Don Brawley's article on coaching. Over the years, individuals and organizations alike have embraced coaching as an alternative form of training or human resource development. Consultants working in various arenas have been quick to capitalize on the supposed benefits of the coaching approach. However, there is still a lack of clarity regarding the purpose and benefits of coaching. Brawley suggests that coaching offers a better model of employee development largely because clients are able to take ownership of their personal and professional growth. Coaching becomes an important tool for leveraging the untapped employee potential that we are forever hearing about.

Our "Practitioner's Corner" extends the focus on coaching. The author drills down to offer some basic building blocks for building a personal foundation that works! Kathleen Cashman's article attempts to answer questions that every employee asks at some point or another: How can I get more time in my day? How can I get more control over my life? And, perhaps most importantly: How can I get a life? If these questions are not currently on your mind, then Cashman's comments may help prepare you for what are obviously key life concerns. Once again, I hope that this issue of *The Journal of Practical Consulting* offers a fresh,

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engaging, and practical perspective on topics that bridge global and organizational concerns with more personal ones.

There has always been more to the practice of consulting than any single article, methodology, practical engagement, or case study can reveal. This underscores the importance of a dynamic interpretation of the consulting task. Once again, we encourage you to share your thoughts with us on any of the articles contained in this or a previous issue.

To link directly to this journal, go to:
www.regent.edu/jpc

Enjoy!

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Effective Business Strategies of Multinational Corporations in an Emerging Market Economy

Saroj Upadhyay

The success of global business organizations depends upon the utilization of opportunities unleashed in the emerging markets of the world. There was a time when *multinational corporations* (MNCs) were complacent and earned enough surpluses for their commanding positions in developed and other selected countries. Emerging markets provide ample opportunities in business, as they have a large demand base of various products along with large populations who have increasing purchasing power. The emerging markets have become known as suitable and reliable suppliers of a wide range of goods and services.

A large number of global players are also emerging from these markets, forming a new breed of global organizations. Examples of these companies are Haier of China, Acer of Taiwan, Tata Steel or Mittal Steel of India, and Embraer of Brazil. The opportunities in these emerging markets are creating an environment of business where skillful manpower and other logistics support are available. This movement is occurring in countries like India, China, Brazil, Mexico, Indonesia, and Turkey. Malaysia is experiencing significant development in many ways. Despite larger economic potential, the MNCs and other global organizations find various obstacles in emerging markets. The organization has to approach alternative strategies in order to thrive successfully in an environment of emerging markets. Here we shed some light on what should be the element of an ideal strategy of business of the MNCs in an emerging market.

What is an Emerging Market?

Antoine W. Van Agtmael of the International Finance Corporation defined an emerging market economy (EME) as being characterized with low-to-middle per capita income. Such countries constitute approximately 80% of the global population and represent about 20% of the world's economies (referenced by Reem Heakel in the *Investopedia Newsletter* dated July 30, 2003).

Countries whose economies fall into this category of EMEs are usually considered emerging because of their developments and massive reforms. Sometimes big and small countries are lumped together as EMEs. China is deemed as one of the world's economic powerhouses; it is lumped into the category alongside much smaller economies like Tunisia. Both China and Tunisia belong to this category because they both have embarked on economic

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development and reform programs and have begun to open up their markets and "emerge" on the global scene. EMEs are considered to be fast-growing economies.

One key characteristic of the EME is an increase in both local and foreign investment (portfolio and direct). A growth in investment by a country often indicates that the country has been able to build confidence in the local economy. Moreover, foreign investment is a signal that the world has begun to take notice of the emerging market, and when international capital flows are directed toward an EME, the injection of foreign currency into the local economy adds volume to the country's stock market and long-term investment to the infrastructure.

The emerging market economies are different from developing countries. The emerging market has high potential for growth while *less developed countries* (LDCs) have limited growth potential. However, emerging markets in many cases contain weak physical infrastructures in regard to communications, transportation, electricity and ports, road network, and railway connections.

There may be significant variations in the quality of infrastructure across emerging markets. *The Wall Street Journal* commented that in India it can take 6-12 weeks to deliver products from India to the United States while Chinese exports can move from the factory floor to U.S. stores in as little as 3 weeks (Bellman, 2004). China invested huge sums in infrastructure development in the late 1990s to improve surface transport. India has recently started restructuring its physical infrastructure with a national highway project, airport modernization, and the rebuilding of new ports.

The Need for a Clear Strategy in an Emerging Market Economy

Due to the vast expansion of many of these emerging countries, communication sometimes becomes cumbersome. Bertelsmann is a German publishing company who runs a book club through a joint venture with China. The Chinese postal system, however, has an inability to deliver bulky packages of books. To deliver the books, the company uses a type of cart pulled by a person called a cycle rickshaw. The company does not expand memberships; rather, they serve the existing members in the city to retain business locally. Here the strategy is to serve the existing customers as effectively as possible. Despite infrastructural bottlenecks, market expansion and distribution can be maintained, as shown by the company Hindustan Lever of India.

The organization has followed a unique strategy in view of infrastructural bottlenecks. The company utilizes rails, roads, and even small boats to reach rural areas of the country. The majority of the population in India lives in rural areas, so the rural market has a large potential. The company has generated a dedicated team of women in sales by offering free sales training and organizing self-help groups to promote the company's products in rural areas. The women go door-to-door in rural areas to sell products. Hindustan Lever Brands are almost household names in India.

ITC Ltd., another MNC operating in India, has been engaged in agricultural product business and marketing. They have christened its rural development initiative as e-Choupal. It is a village-based organization which has staff members who provide the farmers technical knowledge about farming and ultimately purchase the entire produce from the farmers in respective areas. The total number of presently operating e-Choupals is 6,500. The leaders in this company feel that

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> The immense potential of Indian agriculture is waiting to be unleashed. The common constraints that shackle this sector are well-known fragmented farms, weak infrastructure, numerous intermediaries, excessive dependence on the monsoon, and variations between different agro-climatic zones. These constraints bring their own challenges to improving productivity of land and quality of crops. The unfortunate result is inconsistent quality and uncompetitive prices, making it difficult for the farmer to sell his produce in the world market.

Through e-Choupals, ITC purchases goods from farmers who are willing to sell their product. ITC representatives remain in rural areas to serve with information and knowledge about agricultural technology and pricing. ITC is ultimately able to acquire the products at or more than official procurement price from the farmers. According to a company source:

> ITC's trail-blazing answer to these problems is the e-Choupal initiative; the single-largest information technology-based intervention by a corporate entity in rural India. Transforming the Indian farmer into a progressive knowledge-seeking netizen. Enriching the farmer with knowledge; elevating him to a new order of empowerment.

The e-Choupal delivers real-time information and customized knowledge to improve the farmer's decision-making ability. It helps to better align farm output to market demands: securing better quality, productivity, and improved price discovery. The model helps aggregate demand through a virtual producers' co-operative. The process helps facilitate access to higher quality farm inputs at lower costs for the farmer. The e-Choupal initiative also creates a direct marketing channel, eliminating wasteful intermediation and multiple handling, thus reducing transaction costs and making logistics efficient. The e-Choupal project is already benefiting over 3.5 million farmers.

Within the next few years, the e-Choupal network will cover over 100,000 villages, representing 1/6th of rural India and will create more than 10 million e-farmers (i.e., farmers depending on the e-Choupal for their function). For villages that have inadequate power, ITC will use solar power batteries so the e-Choupal can still function. The company has used solar power instead of electric power, which has limited availability in some marginal areas of India. For a successful business venture a MNC should adopt a flexible strategy in an emerging market that is suitable for the environment of the country.

We see the MNCs approach various suitable strategies to utilize their potential in emerging economies. The example of Coke in the Indian market serves as another case in point. After its reentry in India in the 1990s, Coke did not make much headway in establishing itself with its global brand image. The company soon realized that acquiring an Indian brand was necessary to strengthen its existence. Coke purchased "Thums Up," a popular Indian brand in the Cola industry. Coke later promoted Thums Up as its flagship brand in the country. Presently, Thums Up accounts for 25% of market share in the beverage market. Through this example we can see the prudence of a MNC who strengthened its position by purchasing a popular brand in an emerging country.

The U.S. brewery Anheuser-Busch has increased its stake in China's competitive beer industry with its largest brewer, QuingDao, to strengthen its position in the country. While many international brands have left the country, Anheuser-Busch has been able to maintain its existence there, through a down to earth, flexible, and prudent approach. Another brewery, SAB

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Miller of South Africa, offers 20 different local brands in China and maintains a lively existence there. The brand xtrategy for SAB Miller has helped enormously to maintain its market share in an emerging market like China. The consumers in emerging markets have a great extent of brand loyalty to local brands. MNCs must employ a specific, flexible strategy in order to be successful in an emerging market. As a result the consumers in emerging markets will have purchasing power due to tremendous growth of income.

The Ingredients of a Meaningful Strategy

The strategy of successful champions in EMEs offers an excellent scope of analysis which can act as a reliable guide to others who also want to take advantage of opportunities in the emerging markets. These strategic moves enrich the techniques and literature of global strategic management. A significant part of the revenues of these global players come from the emerging market itself. Innovative strategies pay them rich dividends, as in most cases shown, the successful companies have an understanding of the emerging market scenario in which they are operating. They understand the chemistry of markets and consumers’ psyche in the host country. In view of their understanding they target a broader market instead of a fortunate few. They build up significant distribution channels with a highly developed distribution strategy, to reach a significant segment of the population. In the process they aimed for brand building, establishing their reputation, and creating an image that finely blended their global strategy with local consumers. By virtue of their prudence and advanced strategic techniques, companies like Unilever, Coke, Pepsi, and Gillette have been remarkably successful in emerging markets.

In order to be successful in an emerging market the MNCs must understand the consumer’s psychological trends and their choice pattern. There are rapid changes in the consumer’s preferences and technological situations in an emerging market. The technological changes create rapid strides in the markets. The new initiatives are encouraged and welcomed in this changing level of technology. New opportunities help to create many advantages for global as well as local organizations.

A major opportunity where MNCs can capitalize is through the cell phone industry. There is currently a rapidly growing mobile market in China and India. Customers in many parts of these countries have waited for land lines, but due to poor infrastructure many have still not received one. However, the mobile phone revolution has given a new opportunity for the consumers of rural areas as well as MNCs. Cell phone companies such as Motorola, Nokia, and Samsung have made huge businesses in India and China. Nokia has already established a manufacturing unit in China and will launch another unit in India.

The same is true of information technology products. In India there is a huge demand for computer and other allied products that an MNC can supply. When the Government and other large companies become involved in the development of infrastructure involving information technology, huge demand is created for these products of MNCs. Intel, IBM, Microsoft, and many others are also a huge success in India, China, and other emerging markets.

Another condition for the success of MNCs in an emerging market requires the marketing to be down-to-earth in planning and promotion. Hindustan Lever sells many products in the Indian market which its parent company Unilever does not sell. Regarding the product development and pricing, an MNC should not forget lower-income consumers. The product pricing should be low, and the margin of profit should be reasonable. An increased sales volume should be sufficient to outweigh margin problems. Here the typical principle of higher margin of

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the MNCs pricing will not work. The product development strategy should be pragmatic and realistic. A new entrant in an emerging market should not forget that customers are more price sensitive than quality sensitive. A little modification in product design can create a formidable change in the performance of a product.

A local detergent product in India called Nirma was priced low and accessible to consumers because of its budgeted advertising and handy packaging in sachets instead of bulkier boxes. The company posed a tremendous threat to Surf, a product of HLL (Hindustan Lever Ltd). Poorer consumers were now getting detergent at a lower price. But HLL immediately changed the packaging of Surf and introduced its low cost detergent product wheel, which was a successful venture.

The Unilever Group followed a similar strategy in Brazil and Argentina by introducing low cost products while changing the packaging at the same time. During the Argentinean economic crisis this strategy paid rich dividends to the company by introducing a low cost product through changing the packaging of soaps, shampoo, and detergents. Where many organizations have to close production during a recession due to uneconomic return, Unilever was able to pull through in Argentina.

As far as pricing strategy is concerned there also remain some challenges. Some organizations charge uniform prices making adjustments for currency fluctuations and exchange rate changes. However, many times these strategies do not work satisfactorily as there are variations in purchasing capacity in various sections of communities in emerging economies. The better strategy seems to follow a pragmatic approach by bringing changes in packaging, diversifying the product, or introducing a low-cost variety product.

In many cases MNCs do not understand the business environment in an emerging country. For this reason they cannot open branches in the respective emerging economy. To resolve this crisis they opt for joint ventures with local companies. In that scenario practical decisions can be made concerning pricing strategy; the MNCs can use the distribution channels of the local company in the emerging economy. The joint venture in many cases may be a costly affair, but it enables the MNCs to penetrate into the emerging markets. The Timex Watch Company entered in India with Titan, and Procter & Gamble set up a joint venture with Godrej. Now these joint ventures have ended, but both of these companies have a lively existence in the Indian market. For entry organizations to be successful, they must identify mutually acceptable cooperation matrices so the synergies can be integrated into the strategic performance of the organization. Joint venturing may also be helpful in bypassing stringent rules of the emerging markets with respect to foreign investment.

The global economic situation has reached a stage where emerging markets will provide attractive opportunity of business. The MNCs have to utilize these opportunities in order to maintain lively existence in the global arena. Though doing business in emerging markets contains risk and uncertainty, these hazards can be avoided if a proper strategy is adopted. With a suitable strategy an additive business venture will be possible.

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About the Author

Dr. Saroj Upadhyay received his Ph.D. from Jadavpur University in Calcutta, India. He had worked in a senior position in a commercial bank before joining academics. Currently, Dr. Upadhyay is a faculty member in the ICFAI Business School in Calcutta, India and teaches economics, banking, and corporate strategies. A prolific writer and author of a text book entitled *Business Environment* for MBA courses in Indian universities, Dr. Upadhyay is presently engaged in post-doctoral research on corporate value and ethical practices of Indian and American firms.
E-mail: sk_upadhyay1@yahoo.co.in or sk_upadhyay1@rediffmail.com

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Consulting Your Clients to Leverage the Multi-Generational Workforce

Carrie Ballone

Are your clients experiencing:

- Senior staff frustrated by the lack of work ethic in the younger generation?
- Younger staffs that think their managers are rigid and inflexible?
- New hires that resist corporate policies and procedures?
- A lack of loyalty among staff?

Do your clients find themselves:

- At a loss as to how to best recruit and retain quality talent?
- Looking for ways to connect with a diverse vendor and client base?
- Trying to navigate vastly different motivations and expectations?
- Wishing the new workforce was a little less challenging?

The issue:

The existence of the multi-generational workforce poses unique challenges to today's business environment. A lack of understanding regarding generational differences contributes to conflict within working relationships, lowers productivity, and increases turnover. More seasoned staff can become frustrated by a seemingly aloof younger generation. Younger staff can become disenfranchised with entrenched hierarchal structures. Moreover, those employees stuck in the middle can become frustrated with everyone.

> Understanding what makes each generation tick is critical to optimizing your organizational culture.

A key to thriving within this blended workforce is to raise your client's awareness about members of the other generations. Common generational definitions vary, but the most accepted classifications are: Builders, Boomers, Busters, and Bridgers.

- The Builders–also known as the "Silent Generation" or veterans who range between age 65 and 85.
- The Boomers–the largest cohort, are between the ages of 45 and 65.
- The Busters–also known as Gen X, are between 25 and 45.
- The Bridgers–also known as NeXters or GenY are 25 and younger.

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Each generation is marked by particular commonalities. The following generalizations serve as guidelines—not stereotypes—when working with others.

Impacting World Events

The **Builders** (b. 1922 – 1942) were raised in a time marked by the Depression, the New Deal, World War II, the Korean War, and the FDR Administration. They endured many financial challenges and were taught to be patriotic, frugal, and to work hard and sacrifice.

The **Boomer** (b. 1942 – 1962) generation was influenced by the Civil Rights Movement, the Cold War, space travel, the Vietnam War, social unrest, Roe v. Wade, Nixon/Watergate, and television. The children of the Builders, Boomers internalized a strong work ethic and tend to be very career-focused, driven, status conscience, and wary of authority.

The **Busters** (b. 1962 – 1982) were impacted by the Challenger disaster, the fall of the Berlin Wall, AIDS, diversity, Desert Storm, and the Reagan/Bush Administration. Busters were the first latchkey kids, experienced significant increases in parental divorce, and saw the inception of MTV. Busters tend to expect quick recognition and rewards, inclusion, and opportunities to grow.

The **Bridgers** (b. 1982 – 2002) who are now finding their place in the workforce, have been shaped by global events and social change. They are products of a child-focused society, and the first generation to have been raised with the Internet. Violence in schools, the Clinton-Lewinsky affair, 9-11, and the Iraq War have shaped their experiences. Bridgers expect to be viewed as peers, be allowed to work in a casual style, and be able to participate in work-teams and in a diverse environment.

Table 1: At-a-Glance Shaping Influences

	Media	Institutions	Social
Builders	Radio/Print	Respect/Community	Clear Role Definition
Boomers	Television/Print	Bureaucratic/Change	Civil/Women's Rights
Busters	Television/Computers	Cynicism/ Disappointment	Unrest
Bridgers	Computers/ User-driven	Global/Contribution	Youth Culture

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Differing Expectations

Each generation is characterized by differing values, work-styles, communication preferences, and motivators

Differing values, work styles, communication preferences, and motivators characterize each generation. Gaining an understanding of how others differ from oneself can facilitate better working relationships.

Builders – The "**Duty First"** generation. They believe in the value of hard work, loyalty, and sacrifice and have respect for rules. Builders expect and respect hierarchy and are accustomed to a command and control style of leadership. Typically, Builders like to be acknowledged for their depth of knowledge and for a job well done. They tend to be wary of technology and prefer formal methods of communication (e.g., memos and phone calls).

Boomers – The **"Me First**" generation. They are optimistic, have a team orientation, and value personal growth and social involvement. Boomers respect hierarchy and prefer a consensual leadership style. They are likely to be workaholics, are defined by their career status, and challenge rules. Boomers like to be acknowledged by raises and promotions. They spend a lot of money on and value relationships. They are accommodating of technology and prefer formal communication styles and in-person meetings. Boomers respond well to coaching and look for learning opportunities. They are also known as the "sandwich" generation because they are caring for both their aging parents and their children.

Busters – The "**Who Cares**" generation. They are self-reliant, pragmatic, value fun, informality, and are technologically engaged. Busters do not trust authority, are egalitarian, and opt for a collaborative leadership style. They work hard, play hard, and are entrepreneurial. Work/life balance is a core motivator, and they are driven by an integrated lifestyle. Busters prefer informal, rapid communication. They like to be openly recognized and given rewards that they can use in their "off-hours." Busters value flexibility in their work and many would refuse a promotion if they feel the quality of their home life will be compromised.

Bridgers – The "**NeXt**" Generation. They are confident, assertive, achievement-oriented, and techno-driven. Bridgers question authority and have grown up in the global village of the Internet. They prefer self-leadership and believe that learning is a two-way conversation. Bridgers believe work should be meaningful and view work as a means to an end (i.e., *work to play*). They like communication in real-time (e.g., instant messaging, text messaging, and cell phones). Technology is a natural part of their professional and personal lives. Bridgers like to be rewarded with autonomy, opportunity, and flexibility.

Client action questions:

- How does your generational profile fit you?
- How does it fit the people you work with directly?
- How might these profiles impact your perception of one another?

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Practically Speaking–Perception is Reality

Builders may be perceived as:

- Rigid
- Judgmental
- Wary
- Distant
- Set in their ways

Busters may be perceived as:

- Cynical
- Ungrateful
- Disloyal
- Overly Casual
- Not team players

Boomers may be perceived as:

- Self-absorbed
- Workaholics
- Fickle
- Rigid
- Hypocritical

Bridgers may be perceived as:

- Inexperienced
- Overly confident
- Impatient
- Lazy
- Naive

The following table features a quick guide to use when coaching clients to work with other generations.

Table 2: Working with Different Generations

	Builders	**Boomers**	**Busters**	**Bridgers**
I need	Respect	Status	Feedback/ Autonomy	Structure/To Contribute
Reward/ Motivation	Acknowledge expertise	Symbols of Achievement/ Promotion	Professional Development/ Flexibility	Flexibility/ Growth
Attitude	"Get the job done"	"Let's have a meeting and talk about it"	"I'll do my part, you do yours—we'll meet up later"	"I can, I will- just let me"
Work Ethic	Sacrifice	Driven	Balance	Integration
Communication Style	Formal/ protocol	Formal/ Process	Informal/ Pragmatic	Casual/ Immediate

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Leverage the Potential

When leaders recognize the forces that have shaped each generation, they can adapt their style to more effectively structure workflow, engage employees, and foster communication. Incorporating a range of strategies that promote collaborative relationships among the generations is a business imperative. Leveraging generational strengths requires strategic commitment but the outcome is a stronger, more innovative, adaptable, and profitable organization.

Practically Speaking

Use the following exercises to assist your clients in becoming more generationally aware.

Organizational Change – generational profiles influence how employees react to changes in policies and procedures.

- **Client Action Question:** How can you frame changes in policy to get most of your employees to buy-in?
    - Tips to engagement:
        - Builders–may be slow to change and are less likely to speak up
        - Boomers–expect to be involved in the process and want to know how will it affect them
        - Busters–want to know what difference it will make; if it will change tomorrow, what is the reasoning?
        - Bridgers–change is no big deal, but have a reason that you can explain

Work Style – tapping into each generation's preferred work style can allow organizations to increase retention and generate higher performance.

- **Client Action Question:** What can you do to structure multi-generational teams and to create high-performance teams?
    - Tips to engagement:
        - Builders–will bring their wealth of knowledge and want to get the job done
        - Boomers–will want to meet, collaborate, discuss, and create a plan
        - Busters–are pragmatic and do not like to waste time
        - Bridgers–want to contribute as equals

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Enrollment – brand recognition is critical to creating a high-level of enrollment and connection to your organizations' mission and purpose.

- **Client Action Question:** What can you do to more fully enroll each generation in your organization's mission and purpose?
    - Tips to engagement:
        - Builders–are past-oriented and civic-minded
        - Boomers–have influenced social change and are brand conscious
        - Busters–want to be associated with innovative and forward-thinking organizations
        - Bridgers–are globally-minded and want to be part of an organization that is innovative and socially conscious

Face Time – each generation views "face-time" differently.

- **Client Action Question:** What spoken and unspoken expectations exist within your organization concerning what commitment looks like?
    - Tips to engagement:
        - Builders–expect to work in the office and expect others to put their time in also
        - Boomers–have grown up in a environment that put a strong emphasis on face-time and try to be accommodating, but engrained experience may come through
        - Busters–would sacrifice a promotion or advancement if it will adversely affect their family; they are willing to work, but want to be measured by their outcomes, not the length of time they are in the office
        - Bridgers–are very ambitious but don't see a need to sacrifice quality of life – they believe work can be done anytime and anywhere

Clients and Vendors – generational profiles also affect your relationships with clients and vendors.

- **Client Action Question:** How should you tailor your message so it is best received by each generation?
    - Tips to engagement:
        - Builders–is the message polite, formal, and clearly laid out?
        - Boomers–do you make the connection to how your product or service will directly benefit them and ask for their ideas?
        - Busters–are you direct and do you have additional resources for them to check?
        - Bridgers–are you informal and collaborative, do you make a connection to larger social and environmental issues?

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About the Author

Carrie Ballone manages a women’s recruitment, retention, and advancement initiative at a professional services firm. Carrie has 20 years of experience in program planning, design, and implementation—linking people strategies with organizational effectiveness. Ballone specializes in women’s business issues: non-profit management, team dynamics, and leadership development. She holds a B.A. in Sociology and an M.S. in Management from the College of Saint Elizabeth and earned her Executive Coach Certification through Kaplan University.
E-mail: carrieballone@gmail.com

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When Training Costs Too Much and is Not Enough!

Don Brawley, III

According to the December 2006 issue of *Training and Development*, American corporations spent approximately $109 billion dollars on corporate training in 2006; however, their estimates also suggest that as high as 90% of all training dollars fail to achieve a positive return on the bottom line. While historically entrenched in modern organizational life, corporate training initiatives prove they are no longer sufficient for HR development since they do not motivate employee learning or teach employees *how to learn*. In today's dynamic, interconnected, and global environment, on-going, experiential, and organization-wide learning is paramount for sustained competitive advantage. Outdated training methods must now give way to newer and more effective learning models, like coaching, that are better suited for continuous learning, organizational adaptation, and individual behavioral change needed within post-modern organizational contexts. Despite training's previously cited shortcomings, it will still have a place in organizational life; yet, it is unlikely it will remain the primary vehicle of development it once was.

History of Training

During the 1960s, corporate training focused on employee motivation factors, management training, and organizational development. However, it was not until the 1970s that human resource agents began examining how group dynamics, management methods, and interpersonal skills affected the bottom line. By the 1980s, total quality management drew emphasis on quality training and management. During this time, David Kolb theorized that experience-based learning was the source of learning and development. Further, accommodating learning styles helped trainers tailor their efforts by offering an array of teaching techniques and experienced-based learning through role play, case studies, lectures, feedback, readings, fieldwork, and observations. These training efforts were considered very effective particularly when they resulted in behavioral changes that increased the bottom line. But times have changed and consequently so have the effects of training initiatives in delivering positive results today. Somewhere between the 1980s and the new millennium something happened.

During the 1990s, personal computers and the World Wide Web became popular tools that changed how information was created, accessed, and shared. Companies were forced to compete in global markets where organizational learning became vital to continued success.

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Currently, national and global companies continue investing in on-going training initiates with hopes of creating learning organizations capable of thriving during times of sudden change.

While training initiatives still have a place in organizational life, traditional models of training do not sufficiently prepare upper-level employees for post-modern organizational challenges. Historically, training focused on developing specific skills within a classroom or another offsite setting. Often these skills either did not apply to the individual employee's context or were not transferred from the classroom into organizational life.

This is not to say that traditional training initiatives will not retain a valuable place in corporate life because they will and should. According to the *Management and Training Journal*, there are several reasons for considering training in your organization:

- When new business opportunities arise.
- When a new system or technology must be implemented.
- When existing training programs must be updated or revised.
- When new job responsibilities must be assumed by people.
- When jobs must be up-graded.
- When organizations undergo down-sizing or corporate mergers.
- When organizations experience rapid growth.

While training still holds an important place in organizational life, it does not hold the *same* place it once did. Essentially, training should still be considered during times of internal organizational change. This is not new news; however, what is new is the change in organizational focus.

A New Era of Employee Development

In the past, the internal operations of organizational life were the focus of development and training efforts. Modern organizations were hierarchically structured "command and control" centers arranged for efficiency. People were generally treated as mere means to organizational ends. While some people worked diligently to climb the so-called "corporate ladder," others were grateful to be hired and trained for one position they could retire from. This is no longer the case.

The Information Age changed the world. It is seemingly much smaller and more connected than ever before. As a result, organizations are flatter, employees empowered for decision-making, and all upper-organizational members are expected to be forward-thinking and globally-minded. Nonetheless, long-term job security went out the window with all the other changes associated with the Information Age. This is clearly seen through the increasing number of people unemployed because of corporate bankruptcy, down-sizing, and restructuring. As companies no longer offered job security, employee loyalty to organizations weakened. Today, roles have reversed; employees see themselves as an organization's primary asset.

Employees are no longer recognized as just organizational resources; rather, they are considered an organization's *greatest* resource. The skills they bring and the effort they exert often determine whether an organization is good or superior. In recognition of this, employees won't stay with organizations that do not provide realistic yet challenging personal development opportunities.

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Perhaps even more importantly, human resource professionals recognize that an employee's commitment to their own personal development and learning supersedes skill attainment in providing their organizations' competitive advantage. Training and on-going learning can be likened to the old proverb that says, "Give a man a fish, feed him for a day; teach him to fish and feed him for a life-time." Training teaches, but employees are hungry and want to feed for a life-time!

Employee commitment to personal development and continual learning often may be more determined by personal motivation than personal training. Although training considers learning styles as a starting point for employee learning, it does not address the motivation needed for securing a continued commitment to it. Conceivably, this new age requires a new model for development.

Coaching: A Better Model for Learning

Our new global context increases the need for new learning models that support continual learning and adaptation. Traditional corporate training, designed during times of stability, is unable to deliver the goods today. Organizations seeking a competitive advantage must commit to learning and adaptation to achieve it. This requires continual learners and empowered leaders capable of independent problem-solving and committed to applying the new learning each experience brings.

While I do not suggest eliminating training altogether, I purport building upon it as training and organizational life have always evolved together. In her article, *Coaching for Improved Performance*, business Coach and contributing writer for *About: Human Resources* Robin Nitschke, states, "I have found that Kolb's learning cycle becomes so much more effective when approached from a coaching perspective. It incorporates 'empowerment causes involvement which causes commitment which results in increased performance.'" The next level of training is coaching.

Coaching addresses the often missed yet most critical part of employee learning and development: motivation and commitment. How? Inherently, it addresses an individual's personal goals, passions, and potential within a support dyadic relationship. In their article, *Personal Coach: This Coach's for You*, Teresa O'Neill and Brooke Broadbent say that "having a coach is like having a learning program tailored to your personal and professional development. And coaching is the ultimate self-directed learning experience because you identify your own issues, performance gaps, and obstacles." While in some ways coaching is still new to organizational life, in other ways it may be considered as ancient as Jesus and his 12 disciples.

Modern coaching began gaining real momentum in the 1970s. It started as a learning and discovery prototype composed of a partnership, a focus on performance, and the communication of insights. Over the last several decades, coaching models have evolved to meet the contemporary demands of organizations and the rapid changes within markets and industries. As these models evolve, leaders have questioned their ability to produce results.

For executives wondering if or how such coaching results can be measured, they can be. There is even better news. If you have used Kirkpatrick's Levels to assess your training initiatives, you will be pleased to know the same tool can be applied to assessing coaching results. Many coaches assert that there is a natural adaptation of the Four Levels Framework to human resource development programs, including coaching. This is how the framework might be applied within a coaching context:

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Level 1: What is the reaction to coaching for both the coach and the participant?
Level 2: What has been learned?
Level 3: How have behaviors changed?
Level 4: Are the behavioral changes of value to the company?

Kirkpatrick's four levels build upon each other and serve as one tool for evaluating the effectiveness of coaching in organizational life.

Coaching Processes and Results

Fortune 500 companies have already begun measuring the results coaching delivers. For example, Dell Computers has been tracking their return on investment for more than 5 years. Measurable results include 90% satisfaction from company executives. Also, those who participated in the corporate coaching program tended to be promoted more often than those who did not participate in coaching.

Despite misconceptions, performance coaching does not cater to poor performers; rather, it further develops managers and executives already performing. Coaching offers an individualized approach to leadership development by helping clients discover and assess their strengths, weaknesses, and even blind-spots. Coaches use 360-degree feedback results for improving their client's leadership and management capacity. Unlike a mentor-protégé relationship, coaches and clients are partners and peers in an individual's development process.

Clients take ownership of their personal and professional growth. Self-awareness, personal inquiry, and measurable behavioral goals motivate employees in achieving and building self-reliance rather than dependence. Coaching uses inquiry to build on an individual's natural strengths. The process helps develop employee elasticity, creates an awareness of shortcomings, and inspires personal commitment to development and achievement.

- Marce Fuller, President and CEO of Mirant Corporation, knows first hand how performance coaching helped his company. He reported, "The results we have seen in our organization speak volumes about the success [of coaching]. We now have a management team that is very focused on coaching and developing future leaders of the corporation and we also are working much more effectively as a team."

Today's managers work within a team context; therefore, intellectual ability alone is not enough to raise the bottom line. Managers work *with* and *through* others. The profitability of their organizations often depends upon whether they develop interpersonal skills enabling their successful interaction with others. At times, managers interact with internal supervisors and employees while at other times with external suppliers, advisors, and consumers. Research indicates that training and IQ account for as little as 20% of the difference between star performers and ordinary employees. The remaining 80% is attributed to emotional intelligence (EQ). Emotional intelligence is defined as the awareness of and ability to perceive, assess, and manage one's emotions in a healthy and productive manner and promotes intellectual and emotional growth.

IQ may affect what leaders are capable of, but EQ determines *how* leaders do what they can do. The days have past when those who have been trained can only be held accountable for what they do and not for how they do it. A study of 130 executives discovered how people

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handled their own emotions determined how much people around them preferred to deal with them. More than not, it's the *how*, not the what, that affects the bottom line.

Training programs cannot adequately reveal root causes that attribute to how an individual responds to change, crisis, problem-solving, and interpersonal conflict. Further, since training is not facilitated within a relational context and does not address the individual's specific personal development, it may no longer be a sufficient tool for leadership development, reproduction, or retention. Conversely, performance coaching can be.

Coaching that links organizational strategy and values with long-term employee behavioral change can significantly increase an organization's bottom line. Transformative coaching does exactly that. It helps individual's clarify their values and goals and thereby maximize their performance. Further, it helps employees deepen their self-awareness and in so doing better navigate through interpersonal conflicts. Finally, coaching explores the client's core issues, deepens his or her commitment to the organization, and frees the human spirit.

The ROI of Coaching

According to the International Coach Federation, professional coaching is "an on-going partnership that helps clients produce results in their personal and professional lives. Through the process of coaching, clients deepen their learning, improve their performance, and enhance their lives." Perhaps this is why; according to a survey by Manchester, Inc., a Jacksonville, Florida career management consulting firm, about 6 out of 10 organizations currently offer coaching or other developmental counseling to their managers and executives. Another 20% of companies surveyed said they plan to offer such coaching within the next year.

Coaching managers facilitate employee development and reap long-term dividends. Research shows a strong correlation linking the *quality* of the relationship between manager and employee as a large factor in an employee's intention to stay in an organization. Less turn-over equals greater organizational savings in training and recruitment efforts. However, these are not the only benefits professional coaching provides.

- Capital One VP of Human Resources,Ron Lawrence knows first hand the tremendous return on investment his bank has gained from executive coaching. He says, "The return on investment for executive coaching is exponential, which is why Capital One invests so much in external coaches every year. We have seen that for each individual executive that receives coaching, that nine individuals in the organization are positively impacted." How does executive coaching yield Capital One such a great return? Lawrence attributes coaching to increasing operational efficiency and reduced costs that are achieved by retaining key executive talent, eliminating costly negative behaviors, and enhancing executive productivity.

Capital One is not alone in experiencing such a phenomenal return on investment from coaching endeavors. Back in February 2001, *Fortune* magazine reported the results of a poll taken of upper-level managers and executives who had received 6-12 months of coaching with a Masters- or Doctoral-level executive coach. The executives were asked for a conservative estimate of the monetary payoff from the coaching they received. Respondents valued the coaching they received at six times the cost that their company paid for the service. For example, a nine-month, $18,000 coaching program investment for a VP, was given a rating of being worth

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six times that, or $108,000 to the organization. Other findings that the executives reported included:

- 77% had improved working relationships with their direct reports, 71% with supervisors, and 63% with peers.
- Marked increase in job satisfaction (61%) and in organizational commitment (44%).
- Considered together, these results prove coaching yields corporate growth and greater profitability. They show coaching helps leaders better interact, reach optimum performance, increase productivity, and develop overall effective leadership skills in the workplace.

The results are the same whether considering a mid-sized company or Fortune 1000 companies. Consider the following:

- A 2001 research report involving more than 100 executives, mostly from Fortune 1000 companies, found the average company experienced a 600% Return on Investment (ROI) when they provided their executives with 1-on-1 executive coaching and leadership development. The executives reported directly saving or making an average of $100,000 for every $15,000 to $20,000 spent on their coaching, in addition to other intangible benefits such as enhanced morale, improved interpersonal relationships, and a stronger leadership team.
- A 2002 study of mid-size companies found an average return on investment of over 520% for management and leadership coaching initiatives.
- According to the International Personnel Management Association, other measurable results of coaching include: quality - 48%, customer service - 39%, teamwork - 67%, job satisfaction – 61%, and working relationships with direct reports - 77%.

Conclusion

It is likely that training has not given you results like these recently. While still useful for skill development, training will not build an organizational culture committed to continual learning and adaptation. Coaching has, can, and will continue doing so. If you have not sought out the assistance of a professional coach yet or began a coaching initiative within your organization, doing so could be the best professional decision you have made in a long time.

About the Author

Don Brawley, III obtained an M.A. in Organizational Leadership and is currently a Doctor of Strategic Leadership candidate with a concentration in coaching from Regent University, Virginia Beach, Va. Brawley is the founder and pastor of Canaan Land Church International in Snellville, Ga., and president of Leading Life-Change Coaching and Consultancy, LLC where he develops and coaches leaders to live their passion, maximize their potential, and pursue their purpose. He can be reached at 770-979-7079.
E-mail: leadinglifechange@yahoo.com or donbraw@regent.edu

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Practitioner's Corner: HRD Poster Board

Building a Personal Foundation – That Works!

Kathleen B. Cashman
Your Personal Coach Today

Lately, anytime I speak with someone, he/she asks me one of three questions:

1. How can I get more time in the day for me?
2. How can I get more control over my life?
3. How can I get a life?

Ultimately, we all want to get more energy in our day-to-day lives. Are any of these questions relevant to you? What do you do?

Best Practices Shared

Get yourself a journal or notepad. These are the most important notes you will ever write down. Before you can start any project, you must have a picture of what you want to accomplish or build. The same strategy is needed in creating a personal foundation. I want you to think in terms of numbers. Think about a 10 representing the most ideal life. What would your life look like if it were a 10 today? Think about all parts of your life–your roles and responsibilities–and number them 1–10.

For example, when you consider your roles and responsibilities, they may include: daughter / son; wife / husband; mother / father; sister / brother / friend / community advocate / volunteer: Which of these roles is your number one priority? Yes, they are all important, but you must now re-prioritize them to represent their importance to your current life. You may have young children that moves your "parent role" higher on your priority list than your role as a daughter / son role or friend role. You also may not have time for community advocate / volunteer role – so that becomes a 10.

Now move on to other roles: job / work / other parts of you and use the same logic.

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With the new priority system begin to describe in writing what would this role look like if you were to have ideal conditions in your life – what would your best work / effort look like and what would be the outcome / result of this best work (your 10 in effort). You are beginning to craft your personal vision of success.

Review your list and highlight the areas where there are large gaps – think about the things that need to change in order to close these gaps. Next, review the small gaps, and list the changes needed in order to narrow these gaps as well. As you make these lists, also include the people around you who need to be included or excluded from certain roles. What are you digging up? Like in construction, you will have small rocks or large boulders to remove. Some you will toss aside with ease, and others will require some muscle.

So, here you go! Once your numbered list is established, consider these tools to help smooth your foundation:

1. Restore *integrity* – to yourself! Where in your life are you avoiding the truth with yourself? You tell yourself you want something, but are you willing to do what needs to be done to finish this work? What tasks, projects, or commitments are unfinished?

2. Get your *needs* met. First, you need to realize what you need and acknowledge your expectations to those around you. If you feel selfish – don't! We all have needs, and they are basic to everyone. The most difficult part is clarifying what you need, so do not skip this step. Spend some quiet time reflecting and capturing what you need. Keep your thoughts positive.

3. Extend your *boundaries* by identifying your *limits*. What are the things that you want people to do when they are interacting with you? This is the concept of "teach people how to treat you." Learn to say no, it is not a negative word. Sometimes we take on more than we should because we can do it–it does not mean we should. Only say yes to those things that get you closer to fulfilling your life's desires.

4. Raise your *standards*. Standards are values people can expect when they interact with you. Remember what it felt like to get an A in school? What would happen if you gave everyone you interact with an A before you begin the interaction? How would that change your standards and raise theirs?

5. Eliminate what you *tolerate*. What do you tolerate in your world: at work, at home, in your relationships? What are the small things that zap your energy, and what can you do to get it back? For instance, you might tolerate watching the news each day and comment, "How sad . . ." What if you did not watch the news today? How would that influence your day? Each day, try to eliminate one small thing that you tolerate and keep track of your results.

6. Develop a strong personal *community*. Make a deliberate choice as to who has permission to be in your life. Identify your inner circle and then branch out from there – notice anything? Are you missing anyone? Remember, you can say no to the outer circle and find ways to work with your inner circle more.

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7. Create a *reserve*. Where in your life do you need a reserve? Perhaps you need a creative or spiritual outlet. Maybe you need to create a financial or relational reserve. How would your world be changed if you had the reserves you need? What will it take to get them?

Who do you need to be in order to have a solid personal foundation? Do you need to be more of a risk taker? Do you need to have more courage to speak up and inform others of your needs and expectations? Do you need to be more rigorous in your attitude, in your approach and in your actions?

Think about how you can apply these tools to your life. Thoughts without a plan are only dreams. Thoughts with plans behind them can transform your life into a wonderful reality!

About the Author

Kathleen B. Cashman is president of Cashman Consulting, LLC and is the Northeast regional director for WOMEN Unlimited, Inc. a leadership development organization lending expertise on women's issues, mentoring, leadership education, and networking. Kathleen has worked across industries and throughout all functions and levels of these organizations – both for profit and not-for-profit. Kathleen is also an effective coach – helping individuals maximize their strengths and leverage them toward creating a more effective lifestyle that works. Today, it is so important to spend your time where you get the most happiness. Understanding how to identify these is also a key success factor. Kathleen often speaks to large and small groups and associations on a wide variety of topics. For more information, call Cashman Consulting, LLC at 609-518-3540.
E-mail: kbcashman@aol.com

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