A COMPARISON OF TRAINING NEEDS IN THE
PUBLIC AND PRIVATE SECTORS

THESIS

Presented to the Graduate Council of the
University of North Texas in Partial
Fulfillment of the Requirements

For the Degree of

MASTER OF SCIENCE

By

Lauri A. Delfeld, B.A.
Denton, Texas
August, 1994
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The training needs of managers in the public and private sectors were investigated and compared. Future trends in training that are foreseen by these managers were also researched.

Forty-four public sector managers and 34 private sector managers completed a questionnaire covering such topics as: current training needs, current training efficiency, and future trends in training. Topics covered included an overview of the problem, identification and explanation of current trends in topical literature, results of the research, and conclusions drawn from the findings.

The results indicated a small difference in current training needs of the two sectors. Recommendations for future studies included a larger sample population and a follow-up study of the private sector managers.
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CHAPTER I

INTRODUCTION

"Change is a given in today’s organizations. The question is not whether there will be change but how much there will be and how quickly it will come" (London, 1988, p. 15).

Our work environment is constantly changing. We entered a new decade realizing that the phrase "change is the only constant" describes our world today more than ever before. Increased competition, ever changing technology, a return to an emphasis on quality, and changes in workforce demographics make guiding today’s public and private organizations a complex challenge.

The pressures of change are felt most acutely by today’s organizational leaders—from the shop floor to the boardroom; from maintenance workers to mayors. First-line, middle and senior managers all experience the pressure.

Many first-line supervisors are being asked to play a role in moving their organizations toward utilizing self-directed work teams (Cohen, Wellins & Shadovitz, 1990). These teams assume many of the duties normally reserved for the first-line manager, including hiring and disciplining employees and ensuring quality control. Such a transition
means that instead of managing 10 employees, these leaders coach three or four teams, each consisting of 10 to 12 employees.

Middle managers of today are facing different tasks than those their counterparts of yesterday had to face. According to Cohen et al. (1990), they might be asked to set up their own entrepreneurial and independent business units, lead a total quality improvement effort, and/or handle expanding business opportunities in foreign countries. Like the first-line leader, they may no longer lead by being the traditional "boss," but only by deftly influencing and gaining the commitment of subordinates, peers, suppliers, and customers.

Senior managers are faced with the fact that mergers, acquisitions, and competition are bigger threats than ever before. Budget cuts and tax increases/decreases are real concerns for municipal managers. Senior executives must establish a clear vision of their organization’s direction and continually help others to see this vision. In this process, they are guardians of new organizational values such as quality, participation, and service (Cohen et al., 1990).

Naisbitt (1987) noted the following changes that will occur as organizations move into the 90’s: (a) Human Resources will represent the competitive edge, (b) the computer will reduce middle management, (c) the manager’s
new role will be facilitator rather than order-giver, (d) quality will be paramount, and (e) organizations that deal with the issue of "comparable worth" will attract and keep the best workers.

Employees are an organization's greatest resource. However, individuals are often mismanaged or not managed at all. Managers must be prepared to handle the change that is thrust upon them. They need to assist their subordinates in accepting change while maintaining an ongoing relationship with each employee. They must be able to identify training and retraining needs and to recognize when job expansion is needed. While new employees should be trained in how the organization works, experienced employees should be offered training programs to keep them current or to build new skills. The best people managers have the foresight to recognize future skills that will be needed and to begin planning training sessions to develop those skills.

Naisbitt (1982) stated, "The most reliable way to anticipate the future is by understanding the present," (p. 2).

Public administration and the private sector are very similar, especially in the areas of information exchange and delivery of services to the internal or external customer. This concept and its principles apply to many areas in public administration and need to be addressed by public administration management.
Carnevale stated, "America's future ability to compete is dramatically dependent on our ability to prepare our workforce to meet the standards of a new world economy" (cited in Put Quality to Work: Train America's workforce, 1991, p. 9). As jobs demand more, workers need additional training beyond what their employers already provide. In fact, 42% of U.S. workers need additional training, but will not get it if their employers continue current practices ("Put Quality," 1991). That figure does not include unemployed Americans or those who need entry level or "qualifying" training. That 42%—nearly 50 million workers—need training in various areas, including skills and technical training, management training, customer service training, and basic skills training.

The estimated cost of providing the necessary training is $15 billion annually, in addition to the $30 billion that employers already spend each year on workforce training and education ("Put Quality," 1991). Fifteen billion dollars may seem like a lot of money, but divided among 50 million employees, it is only $300 per worker. That is a small portion of what the same companies spend each year on nonhuman capital.

"That $15 billion investment in human capital, while no small sum, is a relatively modest number next to the $475 billion that employers presently invest every year for capital improvements to plant and equipment," said John
Hurley, 1990 president of ASTD and vice-president of Chase Manhattan Bank ("Put Quality," 1991, p. 9). The findings present a challenge to U.S. organizations, but the challenge is one that can be met.

While it may appear that the work environment has changed almost overnight, managers cannot adapt immediately to their new roles. Today's leaders must be continuously developed, trained, and fostered. Without the necessary training, they will be less able to steer today's organizations toward success.

The purpose of this study was to identify current key training issues and future trends that managers (first-line through senior), in both private industry and local government, feel are critical in implementing the many changes they face while developing their subordinates and training leaders in their organizations. Primarily, answers to the following questions were sought:

1. What areas of training are important to managers today?

2. Are their training needs in these important areas being met? If not, why?

3. What areas of training will be more important over the next three years? What trends do the managers foresee that will make them important?

4. What can be done to prepare the managers for the challenges and changes they face in the future?
Answers to these key questions may provide organizations, both public and private, with a norm or reference point to guide their own decision making regarding training needs. The present study was designed to furnish training departments with an idea of what various levels of management feel is vital in preparing organizations for "Workforce 2000."

It is also the intent of this study to compare management training needs, and future trends that are foreseen, for the public and private sectors. Specifically, the needs of a city government and a private business will be explored. Both types of organizations have developmental needs, but because of the obvious differences in their day-to-day functioning, their training needs also differ. It was hoped that the answers to the four questions listed above would provide some direction as to the different training requirements of these two diverse sets of managers.

Trends in Training

A striking similarity has been noted in the identification of training needs and future trends in the current literature. A study conducted by Development Dimensions International (DDI), a major consulting firm, and Human Resource Executive magazine (Cohen et al., 1990) identified these 14 trends senior managers felt were important for both training needs, and necessary for future
development. These trends, listed in no particular order, include the following:

1. Communication skills
2. Building/facilitating teams
3. Total quality control concepts/techniques
4. Influencing others
5. Recruitment/selection
6. Managing diverse work force
7. Self career development/planning
8. Developing subordinates
9. Introducing/managing organizational change
10. Ethics
11. Performance management/appraisal
12. Customer service skills
13. Dealing with troubled employees
14. Job-specific technical/professional skills

The following trends were identified in a recent survey of 104 executives from large multinational companies. The survey was conducted by Lakewood Research, a division of Lakewood Publications of Minneapolis, which publishes TRAINING magazine (cited in Thomas, 1990).

1. A more important role for training. Most participants--nearly 60%--regard training and development as more important than before or already a top priority because of changes in the marketplace.
2. An increase in management training programs because of stronger pressures to attract and retain qualified employees and to develop current employees.

3. More sales and marketing training programs. These training programs are expected to be in high demand because of new marketing strategies, product lines and a rapid expansion into new geographical markets. In addition, companies will need defensive strategies to protect established markets.

4. More technical and quality training. These programs are needed to meet health and safety requirements, manufacture and service new products, and improve responsiveness to customers.

Gordon (1990) cited a study in which the following question was asked, "In your opinion, what general topic or trend will present the most critical challenge to your organization's training and development function over the next two to five years?" Respondents could choose only one issue. The following topics were mentioned most often:

1. Technological change
2. Customer service
3. Quality improvement
4. Corporate culture
5. New market strategies/organizational missions
6. Staffing
7. Remedial/basic education
Bellizzi and Piontkowski (1990) identified the following trends as being important both now and in the future:

1. Quality—"total quality management," the concept of applying quality standards to every aspect of an operation, not just the final product.
2. Ethics
3. Customer service
4. Motivation/Incentives—once an employee is trained, corporations in the 90’s probably will do all they can to hang onto that person since they’ll need a well trained staff to stay competitive.
5. Teamwork/Team problem solving
6. Literacy
7. Foreign born employees—emphasis on training workers to speak, read, and write English as well as training supervisors to learn to manage people who don’t.

Wagel and Levine (1990) listed the following challenges that lie ahead in the 1990’s and beyond:

1. Recruiting employees from a shrinking labor pool.
2. Coping with greater workforce diversity.
3. Helping employees balance work and family life.

The following trends were listed by Ellig (1990) as challenging human resource issues that will affect the competitiveness of a company in the 90’s:
1. The changing demographic composition of the workforce.

2. The need to educate, train, and retrain the workforce.

3. Employee benefits/career enhancement and development.


A survey was conducted by Rochester Telephone in December, 1991, of managers within that company. These subject areas were listed as important training issues for managers and/or their subordinates:

1. Customer service skills
2. Sales skills
3. Quality skills
4. Communication skills
5. Technical skills
6. Personal development skills
7. Health and safety
8. Performance management skills
9. Team building skills
10. Ethical management
11. Career counseling
12. Persuasion, influencing, and negotiating skills.

A commission of the U.S. Department of Labor spent a year talking to business owners, public employers, and business managers about what employers need from workers.
The study, "What Work Requires of Schools: A SCANS Report for America 2000," (cited in Sevante, 1991), found that employers wanted their workers to be well versed in basic reading, writing, and mathematics as well as the following:

1. Speaking, listening, thinking creatively, and problem solving.
2. Allocating time, money, materials, space, or staff.
3. Working on teams, teaching others, serving customers, negotiating, and working well with people from culturally diverse background.
4. Evaluating data, organizing and maintaining files, using computers to process information.

Slack (1990) reported the results of a survey completed by 340 local government practitioners. This survey concerned the perceived information, training, and assistance needs of the participants. The results indicated those surveyed see the following areas as needing some type of formal training:

1. Disciplinary practices/dealing with troubled employees.
2. Computer literacy
3. Writing and oral communication skills
4. Personnel staffing/recruitment
5. Equal Employment Opportunities and Affirmative Action
Wagenheim and Reurink (1991) felt the following issues need to be addressed by managers in public administration:

1. Customer service (including internal customers—employees)
2. Communication
3. Problem resolution
4. Quality control
5. Technology/information systems
6. Training

Joseph Sensenbrenner (1991), former mayor of Madison, Wisconsin, felt that as governments struggle with recession-induced revenue losses, cities need to focus on the following:

1. Providing quality services to citizens
2. Improving customer service
3. Utilizing computers more

Both businesses and local governments have begun crying out for workers who have a solid foundation of reading, mathematics and writing and use these skills to communicate with supervisors, co-workers and the public. As competition from foreign countries grows, and cities are forced to do "more with less," U.S. firms and governments have started to realize that a well trained workforce will provide a competitive edge.

Almost all descriptions of future work organizations require their workers to possess more complex cognitive
skills. This is clear from a delineation by executives at a new Mazda plant in Michigan of their expectations of their workers (Goldstein & Gilliam, 1990). This description also summarized the need for development in several of the training content areas listed in current literature:

They want their new employees to be able to work in teams, to rotate through various jobs, to understand how their tasks fit into the entire process, to spot problems in production, to trouble shoot, articulate the problems to others, suggest improvements and write detail charts and memos that serve as a road map in the assembly of the car. (p. 139)

Based on the literature, there is a genuine need for additional training for management and their subordinates. If American businesses hope to compete successfully, they must make note of the needed changes and act accordingly. The American worker needs more training as businesses and governments start to change workforce organization, reduce bureaucracy and give workers more responsibility. Workers are being asked to use judgment and make decisions (Sevante, 1991). None of this can be accomplished adequately without some type of formal training.

As noted earlier, most sources list similar or identical training needs and future trends in training. For the purposes of this study, one composite list of content areas was explored in more detail. The list was
compiled using the first study cited (Cohen et al., 1990) as well as the results of the literature review conducted by the author. That review determined 13 content areas as being the most prevalent in today’s management world. For the purposes of this study, the following list of training areas was explored in more detail:

1. Communication skills
2. Building/facilitating teams
3. Total quality control concepts/techniques
4. Recruitment/selection
5. Managing diverse work force
6. Career development/planning
7. Developing subordinates
8. Introducing/managing organizational change
9. Ethics
10. Performance management/appraisals
11. Customer service skills
12. Dealing with troubled employees
13. Literacy

Because of the similarities of #6, "Career development/planning," and #7, "Developing subordinates," in the literature, these two trends were combined in the literature review section of this paper. A separate definition for each trend is provided.

A definition for each of the 13 trends is included to assist the reader in determining the author’s meaning of
each trend. The definitions used are from the study conducted by DDI and Human Resource Executive magazine (Cohen et al., 1990).

It should be noted that a very thorough search was conducted for studies similar to the one performed by the author. Specifically, studies that compared private and public management training needs were sought. Approximately six different data bases at four university libraries were searched in an effort to locate comparable work. This author was unable to find any research similar to that conducted for the purposes of this paper.

Communication skills. Effective communication is using interpersonal skills to interact with others inside/outside the organization. This includes clear verbal communication, good listening ability, and effective interaction skills.

It would be extremely difficult to find an aspect of a manager's job that does not involve communication. Accordingly, the pertinent question is not whether managers engage in communication, because communication is inherent to the functioning of an organization. Rather, the pertinent question is whether managers communicate well or poorly. Communication itself is unavoidable in an organization's functioning; only effective communication is avoidable. Despite the tremendous advances in communication and information technology, communication among people in
organizations (both public and private) leaves much to be desired (Gibson, Ivancevich, & Donnelly, 1988).

In every organization people talk to each other about what bothers them. They share complaints, concerns, and unanswered questions with co-workers. If these workers have learned from past experience that some action will be taken, they will share their concerns with their direct supervisors. If the complaint or issue is important to workers, lack of attention or unanswered questions fester and build into major problems which directly affect motivation and performance (Anderson, 1989).

Industrial decision makers believe that communication in organizations makes the essential difference in increasing productivity (Papa & Graham, 1991). Managers in government, as well, feel that communication training is essential to providing quality customer service (Wagenheim & Reurink, 1991). Public employees in Santa Clara County, California listed communication skills as a top priority in a training needs survey conducted by Haas (1991).

Communication training programs are very common in such areas as oral presentations, group discussion, interview techniques, interpersonal communication, and conflict management. In one survey of 100 vice presidents from selected Fortune 500 corporations, 89% reported that various types of programs were used to improve the communication abilities of their employees (Bennett & Olney, 1986).
Papa and Graham (1991) indicated that up to 80% of a manager's time is spent in communication activities. Because such a large amount of management's time is spent in communicating, training programs need to be designed to fit the needs of each particular manager. One way to improve the effectiveness of managerial training programs is to conduct a careful diagnosis of each manager's development needs prior to training. Once needs are identified, individuals can be enrolled in programs designed specifically to address those needs and to improve managerial performance.

John Feilden and Ronald Dulek, (cited in Goddard, 1989a), communication consultants and authors of four books on business writing, analyzed 2,000 letters, memos and reports drawn randomly from nine million messages produced annually by a division headquarters of a major company. They discovered that communications undertaken by this facility cost at least $10.8 million a year to create, type, and distribute, and another $4.5 million to comprehend. (This is a reading cost of .17 per minute with a three minute average reading time based on a middle salary grade.) If professionals spend from 50-60% of their time reading and writing, as one study of the International Data Corporation indicates (Anderson, 1989), the possibilities of more efficient and comprehensible communications are striking.
A recent nationwide survey of executives by Communispond, Inc. (Goddard, 1989a), revealed that 88% of the respondents rated writing skills between 7 and 10 on a 1 to 10 scale in terms of importance to productivity. Eighty-seven percent rated writing skills between seven and 10 in terms of importance to career advancement, and 79% said writing is one of the most neglected skills in the business world. Local government administrators cited the need for communications training, specifically written, in Slack (1990). Even Chrysler Corporation Chairman and Chief Executive Officer Lee Iacocca in his recent autobiography said, "The most important thing I learned in college was how to communicate," (cited in Goddard, 1989a, p. 36). This is strong statement, but in today's age of constant interaction with others, how well one communicates is probably the most important asset in a portfolio for success.

Meetings are another time consuming activity for which a manager is responsible. After conducting more than 200 training sessions, MacKenzie (cited in Day, 1990) said that 75% of the managers at these sessions indicated that at least half of the time they spent in meetings was wasted. This observation has serious implications, considering that many managers spend from 30-60% of their time in meetings. According to Day, meeting effectiveness can increase if managers are aware of the processes involved in conducting a meeting. This awareness makes the manager more adept at
facilitating staff meetings. Frank Carey, former board chairman of IBM Corporation, once said the four qualities of truly successful top executives are intelligence, integrity, empathy and the ability to communicate. Of the four, only the last, communication, is a learnable skill (Goddard, 1989a).

**Building/facilitating teams.** Efficient team building and facilitating involves guiding a team of individuals toward a common goal. This includes using appropriate interpersonal skills and effective process skills to keep a team on course. A sense of team spirit needs to be developed.

Today's management problems are too complicated for one person to handle alone. While there are many occasions that a supervisor needs to make decisions alone, there are also other times when a group's involvement can help the quality of the decision being reached--or when a group's participation in decision making is essential for successful implementation. Organizations are emphasizing the formation of self-contained, close-to-the-customer work groups that learn customer preferences and cater to them and that require integrated team performance from the employees (Offermann & Gowing, 1990). Even under the most autocratic, crisis-type conditions, managers are finding a considerable payoff from team building (Preston & Zimmerer, 1983).
Work teams are defined as interdependent collections of individuals who share responsibility for specific outcomes for their organizations (Sundstrom, DeMeuse, & Futrell, 1990). Self-managed work teams are small groups of co-workers (8 to 15) who share tasks and responsibilities for a well defined segment of work. At best they exhibit the principle of "whole work"—planning, executing, and measuring whole operations, whether building whole components or providing one-stop shopping services for clients. The teams are accountable for the traditional measures of performance such as product or service quality, on-time delivery, productivity, and cost control (Jessup, 1990). As work teams prove their capability and maturity, they are given increasing responsibility for decisions that affect their work.

Work teams (also called self-directed, self-managing or self-regulating teams) have been growing in acceptance in the past 4 to 5 years, although they have been in some firms for decades (Wellins & George, 1991). Far from being revolutionary, work groups are traditional; Kanter (1983) stated, "the problem before us is not to invent more tools, but to use the ones we have," (p. 120). Once viewed as radical, isolated experiments, they are now expected by some experts to be the work place wave of the future in terms of organization and peak performance.
A recent nationwide study conducted jointly by Development Dimensions International (DDI), the Association for Quality and Participation (AQP), and Industry Week revealed that 26% of the 862 executives surveyed were using work teams in at least some parts of their organizations. And, according to survey respondents, more than half of their workforces was to be organized into teams within five years (Wellins & George, 1991).

It has been estimated that about 1 in 5 U.S. employers operates self-managed teams today, up from 1 in 20 a decade ago (Lublin, 1992). Lublin contended that by the turn of the century, 40% to 50% of all (U.S.) workers may be managing themselves through such teams—up from the current 7% to 9%. Organizations with teams find that labor costs drop, morale rises, and signs of alienation ease.

Both manufacturing and service firms have adopted the team concept as a way of maintaining a competitive edge. Xerox, A.O. Smith, General Electric, General Motors (Wellins & George, 1991), Sherwin-Williams, General Foods, Saab (Sundstrom, DeMeuse, & Futrell, 1990), IBM, and Digital (Offermann & Gowing, 1990) are a few of the industries using work teams successfully. Service organizations with work teams include Aid Associations for Lutherans, AT&T, the U.S. Postal Service, and IDS Financial Systems (Wellins & George, 1991). Woolridge and Wester (1991) spoke of the importance of using teams to complete projects in the public sector.
In 1986 Chrysler Corporation created teams, with the help of consultants from Kepner-Tregoe Inc., in its oldest plant in New Castle, Indiana. The New Castle plant was beset by heavy absenteeism and worker alienation and was in danger of being shut down. After implementation of the team concept, absenteeism decreased to 2.9% from 7%, union grievances fell to 33 in 1991—down from over 1,000 per year in previous years. The number of defects per million parts made fell to 20 from 300 three years earlier, and production costs have continued to shrink (Lublin, 1992).

The American Society for Training and Development (ASTD) conducted a survey on self-directed work teams (cited in Wellins & George, 1991). Respondents marked the topics in which team members in their organizations receive training. The three most common subjects among firms that use work teams were as follows:

1. Problem solving 72%
2. Team building 61%
3. Improving quality 58%

According to Gibson, Ivancevich, and Donnelly, (1988), the purpose of team building is to enable work groups to get their work done more effectively and to improve their performance. The training may be paying off. Productivity and quality are up in organizations that use self-directed teams, say respondents to the ASTD survey. Respondents were given a list of 12 factors and were asked what effect the
introduction of the teams had on each in their firms. The factors that had "improved" or "significantly improved" in more than half of the companies were as follows:

1. Productivity 77%
2. Quality 72%
3. Job satisfaction 65%
4. Customer service 57%
5. Waste reduction 55%

The DDI/AQP/Industry Week survey (noted earlier) identified insufficient training as the number one barrier to successful teams. The ASTD study elaborated further. In 72% of organizations that said they used self-directed teams, training for team members was limited to 10 days a year or less, said respondents. That included the 7% of teams that received no training at all.

The second biggest barrier noted in the survey was supervisor resistance. This, it was felt, was due to ineffective change management in addition to a lack of training.

Managers in growing firms and local governments must learn to rely on the knowledge, experience, and abilities of individual employees and work units. Business teams can be effective if management is well versed in team-building techniques (Owens, 1989). Team building is a comprehensive process that can challenge aspects of the work environment. Therefore, managers need to emphasize communication,
planning, leadership, and incentives. Any problems in these areas should be addressed before implementing a system of employee teams. Training is absolutely essential to the successful execution of team work in any organization.

Owens (1989) summed up the need for work teams perfectly:

If we are to compete in today’s world, we must begin to celebrate collective entrepreneurship, endeavors in which the whole of the effort is greater than the sum of individual contributions. We need to honor our teams more, our aggressive leaders and maverick geniuses less. (p. 55)

**Total quality control concepts/technique.** Total Quality Management is intended to establish ways to ensure that products and/or services meet or exceed customer requirements. In 40 years, a focus on quality has turned Japan from a maker of knick-knacks into an economic powerhouse—and U.S. and European companies are being forced to respond (Port & Carey, 1991). The result is a global revolution affecting every facet of business. As it becomes clear that higher quality means lower costs, products will improve, and so will services. For the 1990s and far beyond, quality must remain the priority for business, as well as government.

At a conference in Tokyo in October, 1990, Juran, the noted American quality consultant, made a rare prediction.
In the 1990s, he said, "Made in the USA" will become a symbol of world class quality again. Even if the U.S. does not actually catch Japan, he expects big gains in competitiveness. "When 30% of U.S. products were failures, versus 3% for Japan, that was an enormous difference. But at failures of 0.3% and 0.03%, it’ll be difficult for anyone to tell," (Port & Carey, 1991, p. 8).

It remains to be seen if Juran’s vision will be realized. But major industries in the U.S. and Europe are determined to prove him right. These viable competitors see an urgent need to match the near perfection standard set by Japan after 40 years of determined effort. There is now a widespread realization that quality simply is not implicit in the way U.S. companies design and make products, or the way they treat customers (Port & Carey, 1991). A new philosophy is taking hold: Excellence should be the norm, not the exception.

Recognition of the importance of quality products and services is not new. Many American corporations have been on a quality quest since the 1980s, particularly as they have faced the realities of competition in a global market. The approach to quality improvement can go by several names, among them total quality control (TQC), total quality improvement (TQI), total quality management (TQM) or strategic quality management (SQM). A "total quality organization" is one in which all employees in all
departments constantly and systematically seek ways to improve the quality of their work. Most often, this means improving the process of work (Hendricks & Triplett, 1989).

The need to close the quality gap has been recognized in industries such as electronics, automobile manufacturing and other companies that have made improvements in the quality of their products. Manufacturers of all types are reaping savings by adapting quality techniques developed on the assembly line by leaders such as Toyota, Canon, Mercedes-Benz, IBM, 3M, and Corning. Even manufacturers that do not actually assemble their products—makers of everything from condiments to chemicals—are doing it. So are suppliers, down to the smallest parts makers. And the trend is growing. "When one of your competitors becomes an excellent manufacturer, you'd better be ready to do it, too, because the difference can be tremendous," says Raymond C. Floyd, a general manager with Exxon Chemical Company (Peterson, Kelly, Weber & Gross, 1991, p. 67).

Total quality management can also be applied to the largest, most complex service industry in the United States—local government. The same techniques that are used by major industries can be applied to local governments to provide better police protection, street maintenance, and health services, often at lower cost to the taxpayers (Sensenbrenner, 1991). Many local governments could eliminate or reallocate 10 to 25% of their program costs
within three to five years if they would adopt the quality approach.

While President Bill Clinton was governor of Arkansas, he asked Eastman Kodak Co. to teach him the basics of TQM. Now he wants the federal government to give TQM a try. Asa Whittaker, quality management coordinator at Arkansas Eastman, spent a year teaching Clinton and his cabinet how to use TQM (Sevante, 1993). Whittaker said 32 state agencies are following the principles and many have found savings:

1. A TQM project in the Department of Education reduced the mailing cost of books by $30,000 a year.

2. The Department of Revenue decreased the turnaround time for renewing license plates from two to three weeks to two to three days.

3. The Department of Corrections reviewed a rule that required the state to buy the same type of shoes for every prisoner. By choosing the proper shoes for each inmate, it could save $90,000 a year in the cost of shoes.

Dodfrey (cited in Sensenbrenner, 1991) stated, People are making comparisons. They can call American Express on Monday and get a credit card on Friday, but it takes six weeks to get a driver’s license renewed. You might not think that the Division of Motor Vehicles competes with American Express, but it does in the mind of the customer. (p. 61)
While most quality programs are successful, some are not. Quality efforts are often put in place before people have the skills to make them work. In some cases, training is limited to technical skills, while interpersonal and managerial skills are neglected altogether. Consequently, people may understand quality concepts, but are at a loss to turn them into actions.

Managing for quality is not easy. It requires active, unwavering leadership from top management, organizational change of the largest order, and time. There is too much at stake not to keep at it. Most American executives are faced with an unforgiving global marketplace, while many managers in municipal governments must learn to do more with less in today's economy. The battles lost to Japanese competition prove that keeping up, much less winning, requires commitment from all levels within the organization. The main obstacle, at least in America, is that quality boosting efforts suffer from a lack of senior management commitment (Port & Carey, 1991). This concept of involving the whole organization in quality improvement is not a new idea. Quality experts have preached for years that improvement efforts should not be limited to the factory floor, that they should be driven by top management throughout the company. The idea feels new, however, because most companies have not even begun to address the touchy issue of
Butterfield (1991) stated that instituting training on the job is essential to producing a quality product. He went on to say that too often workers learn their jobs from other workers who are poorly trained or from inadequate printed instructions. Many workers do not know what constitutes a good job or a bad job. Training is not a fringe benefit for employees. It is not something you do only when you are in danger of failing to meet your production quota or quality standards, and it is not something you do only when you have time. Training must be a planned part of the system or process. You cannot produce a quality product or deliver a quality service without it. The bottom line directly reflects training quality.

In a Gallup survey conducted in 1989 (cited in Bowles, 1989) executives were asked to rate the importance of eight different ways of improving quality in general throughout American business. Employee education showed the greatest increase in ratings from a similar 1987 survey—39% of executives rated employee education very important (10 on a 10-point scale), up from 30% in 1987.

Another indication that a quest for training in quality improvement is on the rise, is the increase that business groups providing such training are experiencing. A minuscule industry until recently, the business of giving
advice to clients who are anxious for quality guidance has been growing by 25% a year (Byrne, 1991). Byrne found that companies now pay $750 million a year to 1,500 third-party providers of advice and materials on quality. The training is paying off. Done right, quality becomes a competitive weapon. Companies that embrace quality have an edge of up to $.10 on every sales dollar over rivals (Hammonds & DeGeorge, 1991). Fewer defects mean less rework and wasted management time, lower costs, and higher customer retention rates.

An excellent example of a quality program that worked is the plan used by Xerox Corp. During a five year period, the program, which cost an estimated $125 million and 4 million work hours, swept through the company’s 100,000-plus workforce and every corner of operations, including management, training, and communication. As a result of the program, customer satisfaction increased by 40% and complaints decreased by 60% (Caudron, 1991). The real proof of the program’s success, perhaps, was winning the Malcolm Baldrige National Quality Award in 1989. (This award is the highest recognition the government can give American business.)

3M is another successful example. A pioneer of the TQM concept, 3M has doubled its worldwide sales in the past decade and been recognized by executives as one of the top 10 American companies in terms of quality (Hendricks &
Triplett, 1989). At one St. Paul, Minnesota plant, 3M cut waste in its production of double-sided industrial tape by 64%, slashed customer complaints by 90%, and boosted production by 57%—all within two years. Profits have increased as well (Peterson et al., 1991). Allen Jacobson, chairman and CEO of 3M noted, "Quality is absolutely critical. It is a positive business strategy that expands markets, increases customer satisfaction and reduces costs," (cited in Hendricks & Triplett, p. 42).

As businesses entered the 1990’s, they found that technology and product innovations provided only a temporary advantage over competitors, who soon developed or accessed similar advances. The only true, sustainable competitive edge to be gained is through the organization’s people. The concept of a total quality program is a philosophy and process that helps organizations develop and maintain that advantage. Constant quality improvement is a requisite for survival.

Recruitment/Selection. Appropriate recruitment and selection of personnel involves learning and using efficient and effective ways to attract and choose qualified candidates.

According to a 1989 edition of Recruitment Today, (cited in Leibowitz, Schlossberg & Shore, 1991) it costs approximately $6,000 per person in the United States to hire a new employee. As the cost of living increases, so does
the cost of new hires. At Corning, Inc., the company
determined that each time a salaried employee was recruited,
moved and trained into a job—and then left—it cost between
$40,000 and $80,000 (Atkins, 1993). Both public and private
employees are recognizing that they simply cannot afford not
to retain their new employees; they must find ways to
recruit and retain workers who will stay long enough to make
their tenure worth underwriting.

Another anticipated concern of recruiters in the year
2000 is size of the workforce. Relative to previous age
cohorts, there will be fewer young people entering the job
market than in the past. In the late 1970's there were
about 3 million people entering the work force each year at
around age 18. By 1995, there will be about 1.3 million
fewer workers in the 18- to 24-year old group. The labor
force will be increasing at a slower rate than at any time
since the 1930's (Offerman & Gowing, 1990). Leibowitz et
al. (1991) noted that government projections indicated that
by 1995, there will be 27% fewer 16- to 19-year olds
available for work than were available in 1975.

According to Naisbitt and Aburdene (1990), in the next
decade, 14 or 15 million new jobs will be created, as
compared to the 20 million created in the 1980's. This
decrease is fortunate, because there are not enough people
to fill the anticipated new job. The labor supply will
increase less than 1% a year, the slowest growth since the
1930s. The 1990s will be the tightest labor market in decades.

If current trends continue, the United States will face an unprecedented shortage of skilled, educated workers by the year 2000 and will rank seventh in global productivity by 2003 (Smith, 1990). When the labor supply seemed endless, organizations could easily be selective, retaining the skilled, and discarding the undereducated. Already many organizations are having difficulty in recruiting new entry level workers and have had to invest in training those selected on basic skills such as simple mathematics and writing. U.S. businesses are spending a record 210 billion dollars for on-the-job training and education, an effort about equal in size to public elementary, secondary, and higher education institutions combined (Hamilton, 1988).

Another challenge that all organizations face today is the frequency with which new employees leave new jobs. A recent estimate holds that 20% of the American workforce starts a new job each work day—roughly 80,000 people (Leibowitz et al., 1991). Also noted in that same study was the fact that as many as 50 to 60% of all new hires leave their jobs within the first seven months. That occurrence has become a major drain on corporate and public resources. Today’s new hires do not mind heading for more lucrative positions soon after joining an organization, especially when they sense that their skills are in high demand. They
are self-assured enough to go after what they really want in their working lives. Newcomers are not as prone to mold their lives to fit the organizational environment as the worker of yesterday was (Leibowitz, et al., 1991).

Hiring the wrong candidate for a key position can cause a number of serious problems for an organization. In addition to increased turnover and higher recruiting and training expenses, a mismatch between a candidate and a job or organization can lead to lost revenues if the incumbent is not able to recognize and capitalize on opportunities or does not attend to the problems. Recruitment, retention, and retraining are the key to managing human resources in the 1990's (Forrer, 1990). Improper interviewing and hiring procedures can increase turnover, increase the need for disciplinary actions, and decrease the performance within an organization (Caruth & Henry, 1990).

Yet another issue recruiters need to be made aware of is the Americans with Disabilities Act (ADA). This act could generate a legal quandary unparalleled since the advent of civil rights and equal employment opportunity (Verespej, 1990). Businesses as well as governments are being forced to review virtually every aspect of their hiring process to ensure compliance with ADA language. Verespej goes on to say managers should begin to prepare for future hiring now by: (a) determining what changes they must make to provide those with handicaps access to the
public areas of their buildings, (b) reviewing their hiring process—from job application forms to interview techniques to how medical examinations of applicants are used, and (c) spelling out the essential functions of each job before placing advertisements or conducting interviews. Improvements in interviewing and hiring skills will result in fewer personnel problems and training and retraining costs.

Managing a diverse work force. Diversity requires developing ways to meet and value the needs of different groups of individuals—based on ethnic background, gender, age—in the work place.

Managing a diverse workforce is yet another issue with which the manager of the future will have to contend. In June, 1987, the Hudson Institute published a study that examined demographic data and trends to determine what the workforce of the new millennium might look like. To some organizations, "Workforce 2000: Work and Workers for the 21st Century" was quite a surprise. Geber (1990) reported that the institute predicted that just 15% of the new entrants to the labor force by the year 2000 would be native, white males. Almost 61% of the new workers were predicted to be women and 20% to minorities (women of color were counted twice). Immigrants, too, were expected to surge into the work place; nonwhites, women, and immigrants
to make up more then five-sixths of the net additions to the work force between 1990 and the year 2000 (Geber, 1990).

A follow-up to the 1987 study was conducted by the firm of Towers Perrin and the Hudson Institute, titled, "Workforce 2000: Competing in a Seller’s Market: Is Corporate America Prepared?." Questionnaires were distributed to senior Human Resource professionals at 645 companies around the country. The questionnaire responses revealed an already diverse force at work in corporate America today. At one-third of the companies, 10 to 20% of the employees were minority-group members. At three-quarters of the companies, at least one-third were women. And at more than one-eighth, over 50% of the workforce was over 40 years old (Beilinson, 1990; Smith, 1990). If the 645 companies who participated in the survey are an accurate prediction of American business, managers in the next decade will be faced with an older, more culturally diverse work force that will be increasingly difficult to recruit and train. The executives surveyed expressed three main concerns: (a) hiring and managing diverse groups of workers, (b) accommodating the special needs of female employees, and (c) facing impending employee shortages.

A 1987 study by Johnston and Packer (Offerman & Gowing, 1990) projected that a third of the new entrants into the work force between 1987 and the year 2000 would be minority group members. Galagan (1991) reports that in the year
2000, 1 employee in 4 would come from a minority group. Those future workers are today's minority children, more than half of whom are being raised in poverty (Horowitz & O'Brien, 1989). Consequently, the greater part of new workers of the future will be made up of those who have traditionally been poorly served by the nation's school system—the poor, minorities, and immigrants (Offerman & Gowing, 1990). Organizations will find it necessary to focus on poverty and illiteracy as not purely a social issue but an economic issue, as well.

According to Naisbitt & Aburdene (1990), 1 billion people world-wide speak English. That number is expected to rise to 1.5 billion by the year 2000. Of those 1 billion people, 400 million speak English as their second language. An increasing number of them live and work in the United States. As a result, many companies and local governments have seen no alternative but to take on the task of teaching their employees English as a second language (ESL) (Oberle, 1990). ESL training can change a company's culture for the better. Some benefits include raising employee morale, reduced turnover rates, and an increasing pool of people who are promotable within an organization.

The demographic outlook for the 1990's and beyond suggests that the number of organizations sponsoring ESL training is bound to increase. A recent article in The Wall Street Journal reported that from now until the year 2000,
"88% of the work force growth will come from Blacks, women, and people of Hispanic or Asian origin, including immigrants," (cited in Oberle, 1990, p. 65).

The 1987 study by Johnston and Packer (Offerman & Gowing, 1990) also noted that by the year 2000, Black women would outnumber Black men in the work force, in contrast to the 3 to 2 ratio of men to women in the White population in the work force. Naisbitt and Aburdene (1985) reported similar findings for the population as a whole. These authors predicted that, as we move towards the year 2000, women's labor force participation will move toward matching that of men, about 75%.

Just as women accounted for about 60% of the total growth of the U.S. workforce between 1970 and 1985, women are expected to make up a similar percentage of new entry level workers between 1985 and 2000 (Offerman & Gowing, 1990; Naisbitt & Aburdene, 1985). Sometimes referred to as the "feminization" of the work force, much of the increase has come from the increased participation of women with children. The current rate of maternal employment in two parent families with school aged children is 71%, rising a little each year (Offerman & Gowing, 1990). As noted earlier, the age of the American work force is rising. The Age Discrimination in Employment Acts of 1967, 1978, and 1986 defined "older" workers as those over 40. The age group showing the largest increase in the work force and the
one that will have the most impact on it, is made up of those in the younger part of this older worker classification. Between 1986 and 2000, the number of persons aged 30 to 47 will increase by 38%, the number between age 48 and 53 will rise 67%, while the overall population growth will be only 15% (Offerman & Gowing, 1990).

This great increase in the number of middle-aged workers will mean increased competition for scarce high-level organizational positions. Arnett (1989) noted that in 1987, 1 person in 20 was promoted into top management; in 2001, that ratio is expected to be 1 in 50.

As the composition of the work force changes, cultural diversity creates new tensions and problems in the work place. George S. Odiorne believes that:

Intergroup tensions will rise in the work place as more workers from different ethnic backgrounds enter the U.S. labor market. Hispanics, Asians and others create special problems of supervision and training. More women in the work force will create tensions between men and women as the baby boom generation competes for fewer jobs at the management level. Then, too, intergenerational warfare over issues such as child care, health care funding, social security, and the distribution of wealth will become more aggravated. A
gigantic effort of team building among different groups will be called for. (Wagel, 1990, p. 12)

The changes introduced by "Workforce 2000" has focused renewed attention on government and corporate staffing practices. Increased labor force diversity will require substantial changes in institutions and organizations if new workers are to be incorporated successfully into the public, private, and nonprofit sectors. There is a need for increased cooperation among business, public education and community services to provide more appropriate education and training for both domestic and foreign workers (Dicken & Blomberg, 1991).

Career Development/Planning. Managers need to develop their own career goals or objectives and establish a course of action to meet them.

Developing Subordinates. Management needs to assist subordinates in the formulation of career goals or objectives and help them obtain the proper training and experience to achieve these goals.

Because of the similarities in the literature of these two content areas, "Career Development/Planning" and "Developing Subordinates" were combined and reviewed together.

Over the past twenty years, American companies have become much more active in managing employee careers. In the early 1970's, only 100 companies operated employee
assessment and development centers; by 1988 that figure exceeded 2000 (Feldman, 1988). Governments, too, realized employee development and career ladders are vital in retaining productive workers. The amount of money organizations allocate to career development programs has also increased substantially during that time period (Hall, 1986). Surveys conducted by the American Management Association suggested that corporations would become even more active in planning and managing the careers of their employees in the future (Feldman, 1988).

What has not changed much from the early 1970's is the fact that top management is still quite naive about career development. Then, as now, top management was in need of education regarding career management (Hall, 1986).

Career planning and management have a great impact on whether organizations can meet major goals, and whether individuals can meet personal goals (Feldman, 1988). Cooperative interaction is needed to attain these objectives. Cooperation involving benefits and compensation specialists, employees, executives, human resource professionals, mid-level managers, specialists in the quality of work life, and recruiters is essential to the success of the organization. A well designed career development system can provide the best solution (Leibowitz, Farren, & Kaye, 1986).
Career development is essential to both the public and private sectors for hiring and retention of the most talented employees available and helps organizations maximize the potential of each individual worker. Career planning helps organizations attain a high quality of work life for employees, and cultivates positive attitudes and loyalty among workers. Woolridge and Wester (1991) listed establishing career ladders and individual career development as critical training issues for public employees.

The new American work ethic holds that work should be fulfilling and fun, an integrated part of a whole life plan (Naisbitt & Aburdene, 1985). Leibowitz et al. (1986 & 1990) described the "new-value worker." Such an employee puts a premium on meaningful work that enhances his or her self-development and personal growth. This worker searches for self-fulfillment in his or her work, rather than simply working for pay. If a job does not provide challenge, growth, variety, and flexibility, he or she feels little organizational loyalty and often ends up leaving. Loyalty is to themselves, their professions, and their careers, rather than to their organizations. Essentially, new-value workers are demanding more of organizations at a time when organizations have much less to give (Leibowitz et al., 1990). The problem lies, as Hall (1986) noted, in that few
organizations seem to be systematically examining or preparing for the changing worker.

The dynamics of today’s workforce make it essential for managers and supervisors to become strategic leaders. While extremely job oriented, today’s employees are also better educated than their predecessors, have higher job expectations, place personal fulfillment above organizational needs, and do not believe in blind loyalty. Wages and benefits are not the answer to motivating this new generation of worker. Matejka (1990) felt motivation can be achieved by giving workers the following: (a) the challenge of exchanging boring jobs for more difficult ones, (b) rewards that are valued, (c) the freedom to manage their jobs, (d) as much flexibility as possible, (e) opportunities for involvement, and (f) career planning opportunities.

One consequence of unsatisfied or unmotivated employees is turnover. Feldman (1988) listed four of the ramifications, to the organization, of turnover:

1. Disruptions to operations, particularly when employees or managers critical to the company leave: When no replacements are ready to take over, work may back up or other employees may get overloaded.

2. Demoralization of employees: When an employee leaves an organization, it can undermine the attitudes and morale of co-workers left behind.
3. Selection and recruitment costs: Particularly when there is a shortage of competent people in a job category, the costs of selecting and recruiting new employees can be very high.

4. Training and development costs: This includes direct formalized training to the new employee as well as indirect training old workers give the new workers to help them get started.

Poor performance is another consequence of a dissatisfied employee. Many performance problems are career related; employees often feel trapped, stagnated, or overlooked in their present jobs or occupations. Many find little pleasure in them, which contributes to increased stress and lowered output. By providing a more systematic way to reduce performance problems for both the subordinate and the supervisor, career development programs have become vital to business and government (Gilley & Eggland, 1989). According to Gilley and Eggland (1989), career development was, by 1989, an accepted HRD (Human Resource Development) strategy among training and development administrators, personnel officers, and organizational consultants. It allows and encourages employees to examine future career paths, and its programs help them assess their abilities and interests in order to better match their personal needs for growth and development with the needs of the organization. Management can increase productivity, improve employee
attitudes toward work, and develop greater worker satisfaction through effective career development programs. Besides reducing performance problems, the career development process can also promote more efficient allocation of human resources and greater loyalty among employee.

Gilley and Eggland (1989) went on to say that organizations have two primary motives for implementing career development programs: (a) to develop and promote employees from within, and (b) to reduce turnover. Career development programs communicate strong employer interest, something employers want in order to maintain a positive recruiting image. A successful career development program is not viewed as a separate activity or entity but is integrated into the organization. Top management needs to develop an appropriate awareness and appreciation of career development. Otherwise, career development will continue to proceed in a fragmented manner and will not achieve the required results.

Corning developed a career planning information system for its employees. As a result, employees reported feeling more positive about making career plans because they understood and participated in their own career planning, and were given information about opportunities (Leibowitz, Feldman, & Mosley, 1990).
Corning’s commitment to its employees is summed up in the following segment of its Total Quality mission statement:

We know that in the end the commitment and contribution of all employees will determine our success. Open relations with each other, and with our customers, is essential. Therefore, each employee must have the opportunity to participate fully, to grow professionally, and to develop to his or her highest potential. (Leibowitz, Feldman, & Mosley, 1990, p. 39)

Introducing/Managing Organizational Change. Managing or introducing change efficiently involves introducing change in a manner that gains the commitment and involvement of those affected.

Change is inevitable in all organizations. Even in periods of stability, change occurs to replenish lost skills as people leave due to retirement, death, disability, and resignation. Both business organizations and government, however, are facing change more extensive and more far reaching than ever before. These changes come from several sources: the labor force, patterns of world trade, technology, and political sensibilities. This situation is unique in that the changes are profound, and that they are occurring together (Kanter, 1983). This ongoing change requires continuous recruitment, selection, socialization, and training strategies (London, 1988).
Environmental change requires an organization to formulate, revise, and reformulate strategies. Changing competition, marketplace demands, new products and services, new technology, labor market availability, and economic conditions are examples of factors that cause an organization to adjust or redirect its approach to daily management (London, 1988). In addition, the business environment is likely to change as a way to reduce costs and sustain competitiveness. Organizational structures are likely to be flatter and staffs are likely to be slimmer. Employees will have to have a more competitive attitude. The magnitude of change impacting American industry in recent years has been staggering. During the 1980’s, more than 4,000 of the country’s largest corporations were restructured (Elliott, 1990). Others have experienced a prolonged series of downsizings and various organizational modifications. A survey by the American Management Association (AMA) showed that in 1988, 39% of the 1,084 companies and nonprofit organizations surveyed reduced their workforces, cutting an average of 162 employees as compared to 35% a year earlier (Offermann & Gowing, 1990). Another survey conducted by the AMA reported that almost one third of their organizations had downsized in 1989 and more than 20% expect to do so in 1990 (cited in Elliott, 1990).

Local government, too, has been hard hit by downsizing. The town of West Haven, Connecticut is still trying to
recover from the recent dismissal of one-fourth of the city's 300 workers (Yarrow, 1992). During the time of cutback management, local government had to regard as luxury items many tools which could potentially increase organizational capacity (Slack, 1990). They had to learn to do "more with less."

Mergers and acquisitions are yet another way today's corporation differs from yesterday's. There were 3,165 mergers in 1985 (Elliott, 1990). In 1986, $122.7 billion was spent for mergers, acquisitions, leveraged buy-outs, and divestitures--up 21% from 1985 (Ropp, 1987). In the first two months of 1988, takeovers amounting to about $50 billion were launched. Galosy (1990) estimated that in 1990, over 3,400 firms would be involved in merges, involving 800,000 people.

Mergers and acquisitions can involve downsizing, restructuring, reorganizing, and redeploying assets all at once. These organizational changes can, in turn, affect employees and cause a number of problems, including absenteeism, work slowdown, high turnover, and perhaps most common, erosion of employee loyalty (McKnight & Thompson, 1990). Organizations must be sensitive to the fact that there are concerns among the employee "survivors" as well as among those forced to leave. For example, five major employee concerns have been identified among employees in an acquired firm: loss of identity, lack of information and
anxiety, an often obsessive concern about their own continued survival, lost talent, and family repercussions (Offerman & Gowing, 1990).

These changes can create a state of acute anxiety in the workforce. Anxiety affects people's creativity, their ability to concentrate, and their tolerance for frustration (Galosy, 1990). Following the introduction of change, morale slides, people become preoccupied with change-related matters and productivity suffers. Left unmanaged, the dip continues for long periods—even years There is no automatic recovery. To succeed, change must be managed. Organizations that do not respect the psychological power of change struggle for years after a restructuring (Elliott, 1990). A recent survey of managers who have restructuring experience concluded that managing people factors is more critical than financial issues to the eventual success of any organization after change is implemented.

Mergers and acquisitions may be extreme cases, but even a single major organizational change can bring such reactions from employees. McKnight and Thompson (1990) felt managers who must lead an organization through change need to anticipate and try to prevent the human struggles associated with it. Training and development strategies can help significantly, and ought to be included in the company's overall plan for management change. Elliott (1990) stated that following change, resources need to be
provided for employees to facilitate a healthy adjustment change. Training is essential.

As mentioned earlier, changes in the work environment include a change in technology. London (1989) reported that job growth between 1989 and 2000 would be in technical areas. As technology becomes more accessible to more competitors, companies are going to compete on the basis of who has the best people. U.S. executives must become agents of change within their organizations. Training and development must be linked to the company vision, agenda, and business strategy. Training is in the mainstream and is a competitive weapon for companies that use it wisely (Kearns, 1990).

Future managers will need to be very skilled individuals. They will have to be able to provide on-the-job training to integrate unskilled youth into the work force, while also working with job incumbents and other managers who may not be a traditional part of their work force (Goldstein & Gilliam, 1990). These activities will need to be performed at a time when jobs become increasingly complex and national and international competition increasingly intense. All of this will make training in areas such as interpersonal skills even more important in the future work place. Tomorrow's managers need to be trained to handle these changes not only for himself or herself but for his or her subordinates as well. Managers
need to know how to help employees prepare for and deal with 
the changes they will face as they move into the future.

The trends identified earlier in this paper are 
examples of the changes both workers and their managers will 
face in the coming years. Work teams, diverse work force, 
an emphasis on quality, unskilled youth, illiteracy, and 
technical skills are just some of the challenges facing 
employees. London (1989) felt managers do not receive the 
training they need in new technologies, and they lack the 
management skills required to manage work teams. If the 
managers do not receive adequate training in these areas, 
subordinates receive even less. In order for American 
businesses to stay competitive, and local governments to run 
smoothly and efficiently, training is absolutely necessary.

One role the manager plays is to serve as an agent of 
purposeful or planned change. This challenge has become 
more important and the necessary professional skills more 
relevant in recent years because, as Toffler (1971) has 
observed,

There is nothing new about change for it has always 
been part of man's history. What characterizes our 
modern era, however, is the increasing intensity, 
complexity, and pace of change. What once took years 
to transpire, now takes place in weeks. And 
significantly more people are affected. (p.26)
Ethics. Appropriate ethical behavior involves learning and using proper codes of conduct within the organization's environment.

The institutionalization of ethics is an important task for both the public and private sectors today, if they are to effectively counteract the increasingly frequent occurrences of blatant unethical and often illegal behavior within large and often highly respected organizations (Sims, 1991). Many more organizations today seem to be committing themselves to providing some kind of ethics training.

Studies indicate a continuing upward trend in the number of organizations offering ethics training (Thompson, 1990). In 1990, 36.9% of organizations with more than 100 employees provided some type of ethics training, compared with 26.6% in 1989 and 19.7% in 1988. A recent study found that 45% of the 1,000 largest U.S. corporations now have ethics programs or workshops, up from 35% five years ago (Hager, 1991).

A 1988 survey of 2,000 U.S. corporations (Thompson, 1990) found that 28% of the 711 responding companies provided specific training on ethics. That number escalates if companies providing training only on narrow ethics topics especially important to specific industries is included. For example, 48% of the construction firms had substance abuse programs and about half the retailers had programs on sexual harassment, discrimination and employee theft.
A survey of public administrators conducted by Bowman (1990) indicated that government has the obligation to set the example of proper ethical conduct in society. These administrators believe that a properly designed code of conduct can have a crucial role in fostering integrity in governmental agencies. Training programs need to be developed to ensure the code is carried out daily. Because education is a continuous process, the responsibility of ethics training is not completed when a new employee has been put through the first training session, not only because the law changes, but also because circumstances change, and new lessons have to be learned. Ethics training should be an ongoing process. Thompson (1992) felt that the purpose of government ethics are important and honorable, "as important as the confidence of democratic citizens they are meant to sustain and as honorable as the vocation of democratic public service they seek to strengthen" (p. 258).

Ethics programs were widely instituted in the defense industry after the purchasing scandals of the mid-1980's. This ethics movement of today is quite timely considering the increasingly complex business environment faced by business leaders. Given the threat of layoffs and enormous pressure to turn a profit, managers are sometimes tempted to engage in unethical behavior. Berrien (cited in Kirrane, 1990) noted that these pressures are pushing people into making unethical decisions. Overall, said Berrien,
"Business is noticing that people are under enormous strain. There's more pressure on people in organizations than there ever has been to do more with less and adjust quickly to changes. In response to that pressure, people may cut corners...may engage in expedient but questionable behavior," (p. 55).

Working Woman magazine conducted an ethics survey of its readers and their colleagues (Sandroff, 1990) and concluded fair play is disappearing from the American business scene. Almost half of the respondents had witnessed discrimination based on sex and race (47%); more than a third, sexual harassment (41%); and just under a third, lying to make a sale. Fifty-six percent of the participants believed that American business ethics have deteriorated in the past ten years.

Attention to ethics is necessary for "sustainable business" (Kirrane, 1990). During the decade of deregulation from 1975 to 1985, companies with short-term views tested the remaining boundaries, going as far as they could. Now those businesses are beginning to see the longer-term problems that result: pollution, depletion of resources, and a workforce under stress.

Other factors that bring ethical issues and dilemmas to the forefront include: (a) changes in law and technology, (b) global, multi-cultural markets, (c) increased diversity in the American workforce, (d) employees' broader definition
of rights, (e) the trend toward decentralized decision making, (f) the need to blend corporate cultures during joint ventures or after mergers and acquisitions, and (g) intensified media scrutiny that may lead to bad public relations or legal exposure (Kirrane, 1990).

Thompson (1990) listed these elements that can prompt unethical behavior: financial pressures, destabilization of routines and traditions, downsizing, racism-ageism-sexism, convenience, incompetence, malevolence, and human frailties. The components that prompt unethical behavior are complex and intertwined. When ignored, these factors can drain the morale and stability of a company or the confidence of customers and the public.

In addition to being the right thing to do, appropriate ethical behavior results in a more successful operation. A study of 21 firms with a written code of principles stating that serving the public was central to their operation, showed a clear link between ethics and profitability (Blanchard, 1990). Ninety-seven percent of the business respondents to a recent Dallas Times Herald survey said good ethics is good business (Axline, 1990). Because consumers often boycott organizations that operate in unethical ways, evidence suggests strong ethics equals better business.

Freudberg (Axline, 1990) has written about a study that analyzed the relationship between public service and
long-range corporate profitability. The companies selected had been in business at least 30 years and had a written set of principles on their public service policies. Among the 15 publicly traded companies (held responsible to shareholders), the average growth and profits over the 30 year period ending in 1982 was 11%. In contrast, the Fortune 500 companies during about the same period showed growth and profits of 6.1%. This suggests there may be a long term financial payoff for ethical management.

Benefits from a systematic ethics program are numerous. Thompson (1990) listed improved employee morale, a less stressful culture, and lower recruitment costs as three advantages. Kirrane (1990) cited these benefits of an ethics program: improved safety practices, better labor relations, higher morale, a more committed workforce, and highly motivated employees. These, in turn, may translate to fewer accidents and grievances or improved customer service.

Aside from the public relations and monetary value in maintaining a commitment to ethics, companies need to be aware of U.S. sentencing guidelines that took effect November 1, 1991. The guidelines would double the median fines for companies found guilty of crimes such as fraud. However, businesses with tough ethics policies will receive much more lenient treatment as long as they cooperate with prosecutors and their policies meet the guidelines'
standards (Hager, 1991). For example, a fine of $1 million to $2 million could be knocked down to as low as $50,000 for a company with a comprehensive program including a code of conduct, an ombudsman, a hotline, and mandatory training seminars for executives.

The following companies (Hager, 1991) are excellent examples of businesses raising the ethical consciousness of their employees:

1. Niagara Mohawk Power: Held full-day ethics workshop for all senior managers, including the chairman.


3. NYNEX: Instituted ethics officer, new code of conduct, training seminars for top and middle-level executives, hotline to report unethical behavior.


5. Hershey Foods: Offered ethics-awareness training for senior and middle-level managers.

While ethics programs can improve growth and profits, certain precautions must be taken when implementing these programs. One threat to an ethics program is lack of follow-through in employee training (Axline, 1990). When managers are asked to train all their employees without
adequate professional support, programs often fail. Axline went on to state that commitment to an organization wide training effort--training all employees, not just managers--is essential to the success of the ethics training program. The ethics awareness training should be based on sound pre-training organizational research, such as an ethics survey or interview.

Although many organizations talk a great deal about ethical behavior, and many have instituted successful ethics programs, leaders must take action to demonstrate their commitment to stated values. The ethical character of an organization is set by its leaders. Business ethics is the bedrock of organizations and industries (Axline, 1990). A breakdown in this area often is a sign of other problems. If any organization--public or private--is to remain strong, its leaders must understand that good ethics is good business.

**Performance management/appraisal.** Effective performance appraisals involves establishing, with subordinates, goals, or objectives that relate to the organization’s business plans. Day-to-day coaching, and evaluating performance needs to be provided.

Organizations face a critical paradox. No other management tool is more critical to productivity than effective performance appraisals, yet they can actually impair an employee’s performance (English, 1991).
Performance appraisals are a fundamental requirement for improving the productivity of an organization, because it is through an appraisal that each individual’s productivity is evaluated. It serves as the basis for counseling and developing an individual to maintain or increase productivity (Latham & Wexley, 1982). Productivity can be increased significantly if supervisors set a specific production goal, and provide attention and support to workers (Zemke, 1991). The performance of individual employees can be improved by improving performance appraisal and supervision (Baker, 1988).

There are numerous other reasons for the performance appraisal. Zemke (1991) and Latham and Wexley (1982) listed the following: (a) as a way to motivate appraisees to do more and better work, (b) as a tool for determining training needs, (c) as an anchor for developing selection devices, (d) as a technique for improving the work of marginal performers, and (e) as a way to defend the organization against discrimination claims. In addition to legal ramifications, establishing training needs, and validating employment procedures, King (1984) cited these uses of the performance appraisal: (a) translate overall goals into objectives for individuals, and (b) decide on salary increases and promotions.

There is increasing concern on the part of the federal government, as well as private organizations, that most
performance appraisal systems are not satisfying the objectives for which they were designed. Violation of federal laws regarding performance appraisal can easily cost an organization several million dollars for legal fees, court costs, damages, and back pay, not to mention the drain on an organization’s time and personnel in preparing for a case (Latham & Wexley, 1982).

Numerous court cases have been noted in the literature pertaining to performance appraisals and federal law. From these cases, several guidelines have been established in regard to conducting performance appraisals within the law. Relative to this paper is the guideline concerning training for the assessor. King (1984), Shaw (1990), Vinton (1990), and Zemke (1991) all indicated appraiser training as imperative to successful, and legal, performance appraisals. Shaw (1990) noted that most courts have advanced the view that providing written instructions is a prerequisite to systematic, unbiased appraisal. Clear, written instructions may serve as an important element in an employer’s proof of nondiscrimination.

Zemke (1991) felt that the performance appraisal process got its bad reputation because most users are untrained. Much of the anxiety and stress associated with performance appraisal is related to a failure to follow the practices that lead to effective appraisals. Longenecker and Goff (1990) conducted a survey of practicing managers
and their subordinates. The results indicated that appraisals were ineffective when: (a) performance standards were unclear, (b) the manager lacked knowledge of the subordinate’s actual performance, (c) the manager was not prepared for the appraisal, (d) the manager lacked skill in conducting the appraisal, and (e) the appraisal was not taken seriously by the person doing the rating.

Learning how to evaluate and supervise a staff was found to be as significant a responsibility as achieving productivity quotas and sales and revenue goals (Tafti, 1990). King (1984) reported that in more than 90% of U.S. companies, the employee’s immediate supervisor was solely responsible for conducting performance appraisals. In most cases, these managers had been asked to take this responsibility without much preparation. For many managers, this lack of training led to trial and error learning. For some, there were enough errors and unfortunate experiences to turn them off the whole idea.

All raters should be trained to reduce errors of judgment that occur when one person evaluates another (Latham & Wexley, 1982). As the degree to which a performance appraisal is biased, distorted, or inaccurate rises, the probability of stimulating the productivity of the employee is greatly decreased. Wrong decisions will be made regarding whom to promote, retain, or replace, which in turn will penalize the organization’s bottom line.
Improving the manager’s knowledge and ability is the best way to cure many of the most common appraisal problems (Krein, 1990). However, few organizations incorporate training that will reduce rating errors in their performance appraisal system. Many organizational leaders assume incorrectly that the careful construction of the appraisal instrument will prevent the need for training raters (Latham & Wexley, 1982). Aside from the absence of training, designers of performance appraisals have frequently introduced systems without consulting the managers who have to use them. The managers then see the systems as something imposed on them by an outsider unfamiliar with their daily problems.

Although essential, training does not have to be expensive and time consuming. Clearly written instruction booklets, easily understood forms, helpful hints from Human Resource professionals and periodic refresher courses can be timesaving channels (Sahl, 1990). Wexley and Klimoski (1990) made four suggestions for training the assessor. The person doing the assessment must: (a) be in a position to observe the behavior and performance of the individual of interest, (b) be knowledgeable about the dimensions of features of performance, (c) have an understanding of the scale format and the instrument itself, and (d) must be motivated to do a conscientious job of rating. The rater needs to be both willing and able to do the job.
There is one final component of a successful performance appraisal and that is communication. Hunter (1988), Krein (1990), Shaw (1990), Wexley and Klimoski (1990), and Zemke (1991) all listed communication as being an essential element to effective performance appraisals. Open communication is encouraged prior to, during, and after the performance appraisal. Specifically, feedback is necessary to an efficient appraisal system (Shaw, 1990; Wexley and Klimoski, 1990; and Zemke, 1991). Feedback can motivate higher performance when it leads to setting of higher goals and gives workers a sense of achievement, recognition, and accomplishment. While feedback alone will not improve performance, if it is missing from a performance system, performance cannot improve.

Organizations often fail to accomplish the goals that an effective performance appraisal should achieve: to determine what employees are supposed to do and to evaluate how well they do it (English, 1991). Too frequently employees do not know what is expected of them. King (1984) reported that only about one-fourth of all employees in the study knew what they would be evaluated on before the evaluation took place. Often the employee’s performance was ineffectively evaluated, or their rewards were not tied to performance. The problem is not an inability to determine what the components of a good program should be, but the failure to implement them properly (Krein, 1990).
Widespread and careful training of the managers who will operate the system will help ensure its success. This means including training in all the skills they need to do it well. One would not think of implementing a new computer system without training the people who will operate it. This should not be done with a planning and appraisal system either. People are more important than machines.

Customer service skills. Developing customer service skills means learning and implementing behaviors that will meet and exceed customer expectations.

In the decade of the 90's, the need for total customer satisfaction will be felt in businesses looking to improve their profits, market position and class competitiveness. Recently, the attention has been on making world class quality products. Superior competitors will be expanding that approach to include world class quality service (Denton, 1990).

Stores, banks, insurers, and airlines are deciding that their first priority is keeping customers happy. At First Hawaiian Bank, tellers with spare time phone longtime depositors to thank them and ask how service might be improved. Allstate Insurance Co. is training workers to think like experts, so they will make fewer errors. Early results indicate accuracy doubles even though execution time halves (Port & Carey, 1991).
In a recent study of 400 executives of the nation’s largest companies surveyed, the vast majority stated that how much an airline, "cares about its customer" is as important to them as prompt baggage delivery and efficient check-in (Sellers, 1990). Even fast food patrons are looking to customer service. Customers at Burger King, who used to rank speed of service first, rank courtesy number one today.

Quality leaders, such as Motorola, Inc., are focusing on customer service as their key to achieving total customer satisfaction. Motorola, winner of the Malcolm Baldrige Quality Award, recognizes that world class quality can be achieved only through outstanding service (Denton, 1990). George Fisher, Motorola’s president and chief executive officer noted the importance of service. "Talking with our customers, we have discovered that product quality is not the biggest problem. Mistakes in billing, credit, back ordering and delivery are more likely to keep us from our objective (of total customer satisfaction) and we’ve started doing something about it," (Denton, 1990, p. 66).

Xerox, another winner of the Baldrige Quality Award, has discovered the significance of customer satisfaction and has written it into the company’s quality policy. There are two basic components of the plan: (a) customers must be satisfied, and (b) quality improvement is the job of every Xerox employee (Caudron, 1991). Satisfied customers become
advocates for a company's goods or services, recent studies show (Patalon, 1992). A corporate wide reorganization announced in February, 1992, is designed to increase approval by bringing more Xerox employees in direct contact with customers. As a result, workers at lower levels take more initiative in solving customer concerns. Employee satisfaction and motivation have been added to its list of corporate priorities, as well.

There is a payoff for those companies that train their employees in customer service skills. When an organization makes its customers happy, they make their employees happy, as well. Contented workers make for better-served customers. There is also mounting evidence that improvements in customer satisfaction lead directly to higher employee retention (Sellers, 1990). This is significant because labor turnover hurts. Not only are employees increasingly difficult to replace, but recruiting and training new employees costs organizations both time and money. High turnover creates what Schlesinger called, "a cycle of failure," (Sellers, 1990, p. 59) because it results, at least temporarily, in low productivity, poor service, angry customers, and even more discontented workers. Reichheld said, "Customer retention and employee retention feed one another" (Sellers, 1990, p. 59).

Companies who institute customer service programs can lower employee turnover and increase employee retention in
the process. MasterCare auto service centers, owned by Bridgestone/Firestone, conducted a poll of 4,000 car owners, and found that honest, courteous service is twice as important to them as the price of a repair job. Each month, an outside firm polls 50 customers from each MasterCare store, asking them whether they received good service and plan to return to MasterCare. Employees who keep customers faithful get bonuses of about 10% of their salaries. This new system has raised customer retention 25% and lowered employee turnover some 40% (Sellers, 1990).

Taco Bell Restaurants has successfully implemented a customer service training program. President John Martin said, "We are shifting the focus of our employees from operations to interacting with the customer" (Sellers, 1990, p. 67). Through this change in focus, the company has reduced system-wide store management turnover from 50% to 20% annually. Most of its fast-food competitors lose 35% to 40% of their managers every year.

The best first step toward customer satisfaction is internal customer satisfaction (Port & Carey, 1991). Employees need to focus inward and please internal customers—the people just down the assembly line or in the next office. Benefits of this procedure include better knowledge of the customer's needs and functions, and better communication, cooperation, and understanding of each other's needs.
While the customer service management strategy has been used primarily in the private sector, great success has been noted when this style of management is employed in public administration. Customer service means focusing on the internal customer, all employees in the firm or the city, as well as external customers. The results indicate costs are reduced in both private industry and public government (Wagenheim & Reurink, 1991).

Service quality is a central issue in America today. Recent Gallup survey found executives ranked the improvement of service and tangible product quality as the single most critical challenge facing U.S. business (Zeithaml, Parasuraman & Berry, 1990). Most managers realize that the improvement of product and service quality may have the greatest payoff to their organizations (Offerman & Gowing, 1990).

One reason service quality has become such an important issue is that America's economy has become a service economy. Services account for approximately three-fourths of the gross national product and nine out of ten new jobs the economy creates (Goldstein & Gilliam, 1990; Zeithaml et al., 1990).

A second reason for the increase in service quality is that outstanding quality is proving to be a winning competitive strategy. Leading companies are concerned with service excellence. They use service to increase
productivity, to earn the customers' loyalty, to increase positive word-of-mouth advertising, and to seek some shelter from price competition.

Excellent customer service pays off because it creates true customers—customers who are glad they selected an organization after their service experience, customers who will use the organization again and communicate that to others.

Despite the importance of customer service, indications of indifferent, careless, and incompetent service in America are everywhere. A survey conducted by the Atlanta Journal and the Atlanta Constitution (Sellers, 1990) reported that 91% of the respondents said that quality of service had declined over the previous 20 years. Zeithaml et al. (1990) cited a national banking study in which 3 out of 10 consumers recalled a service problem at their current or former financial institution, typically an error of one kind or another. More than half of those recalling problems deemed them serious enough to switch financial institutions or to close accounts.

Further research indicates that most customers do not complain—they simply take their business to a competitor. For every complaint at company headquarters, approximately 26 other customers have similar problems (Denton, 1990). It was also found that from 65-90% of those non-complainers would not buy from that business again. At a time when it
costs five times as much to replace a customer as it does to keep one, customer service cannot be ignored (Bowles, 1989).

Lost customers, however, are only one cost of poor customer service. Other losses include lost opportunity, loss from a poor reputation, inability to charge premium prices, lost market share because of inferior quality, and customer dissatisfaction.

Formal customer service programs have little chance of success unless effective interactive "people" skills are in place at all organizational levels. That is the major conclusion of a recent study conducted by Zenger-Miller, a leading international training and consulting firm (cited in Bowles, 1989). Many organizations are encountering that problem today. American Express, for example, finds that some of the people it hires today lack basic social skills—speaking courteously to customers—that all new employees possessed just a few years ago. At Super Valu Stores' Cub Food markets in Denver, managers must teach workers how to smile and walk erectly, and must even request that some of them dress for work with their shoes tied and shirts ironed (Sellers, 1990). Customer service training is no longer a luxury but a necessity.

The challenges that organizations face in improving customer service are crucial to their success or failure. Competition and technology are pushing organizations through changes at an incredible rate. As companies race ahead,
they must not lose sight of certain fundamentals, such as their organizational values and how these ideas are reflected in their concern for the people who buy and use their products. With customer service excellence everyone—customers, employees, management, stockholders, communities, the country—benefits.

**Dealing with troubled employees.** Helping troubled employees includes learning how to intervene and when to refer employees with work place problems—e.g., substance abuse—to proper sources for counseling and/or assistance.

In the past, when an employee’s alcohol, emotional, marital, or other type of personal problem affected his or her ability to do a job, he or she risked being fired. Today, however, businesses and local governments are realizing that by offering assistance to troubled employees, they can resolve problems and reduce turnover. With the decreasing labor pool noted earlier, and the cost of recruitment and training, this is becoming a necessary decision on the part of today’s public and private organizations.

Approximately 15% of employed adults, at some point in their employment, have had a personal problem that affects their job performance (Bailey, 1986; Greiff, 1989). These difficulties may be emotional, marital, family related, legal, financial, or related to alcohol or drugs. In turn, these problems often lead to absenteeism, poor quality or
quantity of work, increased accidents on the job, and increased health care costs.

More and more employers now recognize that their employees are a valuable resource. With this recognition comes the increasing realization that the employees’ personal well-being is a serious factor to consider in the health of the organization. Because poor employee performance can translate into formidable economic losses, companies, as well as governments, have turned increasingly to various forms of employee assistance programs (EAP) in an effort to increase production and reduce costs. Underlying this effort is the belief that when an organization assists in improving its employees’ mental and physical health, the organization functions more effectively. Consequently, EAPs not only offer a humanistic answer to meeting the needs of troubled employees, but they are cost efficient as well.

Employee assistance programs began appearing in corporate North America 40 years ago when alcohol abuse was first addressed as a major problem among employees. Today’s EAPs have a broader application and are not confined to alcoholism; an employer may intervene whenever an employee’s problem interferes with his or her work. Anyone whose work performance is impaired because of a personal problem is eligible for the program.

Recent estimates purport that there are currently between 2,500 and 8,000 EAPs providing services to 12% to
15% of the American work force (Parkas, 1989). Symonds, Ellis, Siler, Zellner, and Garland, (1991) reported that more than 70% of the nation's largest companies offer EAPs to their employees. The number of EAPs in use today is increasing rapidly.

Of the various employee problems listed above, substance abuse is the most prevalent in the literature. A 1988 survey of mayors, governors, and CEO's of Fortune 1,000 companies, discovered that substance abuse is increasing in the workplace (Appelbaum & Shapiro, 1989). Fifty-seven percent of the respondents indicated that the substance abuse problem in their organization was "significant;" five years prior to the survey, only 46% gave that response to the same question. The 1988 study revealed 22% called the substance abuse problem in their own organization "very significant"—nearly triple the 8% who gave that response five years earlier.

Alcohol is the substance most abused in the business world (Symonds et al., 1991). In 1987, in its sixth special report to Congress, the National Institute on Alcohol Abuse and Alcoholism estimated that alcohol abuse cost the country nearly $90 billion in 1980, the year the statistics were gathered. Of that total, businesses absorbed about 60% of the cost, or almost $55 billion, in higher health and medical insurance costs, lost productivity, and absenteeism (Greiff, 1989).
Use of illegal drugs cost the country an additional $47 billion, according to the above report, and businesses absorbed about 55%, or $26 billion. In a recent Gallup survey, (Beilinson, 1991), one-half of those polled said that illegal drug use occurred in their workplaces, and about one-third said they had personally witnessed it.

Drug and alcohol abuse combined cost U.S. businesses more than $98 billion each year in lost productivity, according to the American Council for Drug Education (Beilinson, 1991). And that does not take into account low work quality, employee theft and hidden health costs. Drug users are five times as likely to file workers compensation claims and use three times the average level of sick benefits.

A study conducted by General Motors (GM) showed that poor work attendance can be an excellent indicator of substance abuse problems. The company analyzed the absences of workers in a substance abuse program the year before they went into treatment. The employees had worked an average of only 140 days, compared to about 210 days for the average GM worker (Beilinson, 1991). GM also determined that absenteeism alone—which is largely the result of employee alcohol and drug abuse, and mental health problems—was costing the company well over $1 billion per year (Appelbaum & Shapiro, 1989).
Masi maintained that other signs of a troubled employee include: (a) increased overtime pay, which could indicate that the employee is working less efficiently than before, (b) tardiness, (c) health insurance claims, (d) repeated accidents, and (e) stolen equipment (cited in Beilinson, 1991).

A 1990 study conducted to measure the effectiveness of McDonnel Douglas Corporation's EAP reveals how expensive it is to ignore substance abuse problems in the workplace (Feldman, 1991; Symonds et al., 1991). The company found that in the previous five years (the program was established in 1985), each worker with an alcohol or drug problem was absent 113 days more than the average employee and filed $23,000 more in medical claims. Their dependents also filed some $37,000 more in claims than the average family.

Other company studies indicate that intervention works. DuPont Company, which has a comprehensive and generous EAP, has discovered that about 80% of its alcoholic workers with long service recover with treatment (Symonds et al., 1991). General Motors Corporation, whose EAP counseled 6,400 employees with alcohol problems in 1990, or almost 2% of its work force, reported a 65% to 70% success rate, well above the 50% to 60% national average for problem drinkers (Appelbaum & Shapiro, 1989). The car maker figures that it gains $3 for every $1 spent on care. McDonnell Douglas has reported identical savings.
Managers, because they see their workers daily, remain in the best position to monitor employee behavior. Studies show, however, that managers often cover up for troubled workers. The average substance abuser in the private sector is protected by managers from detection for eight years, according to Dr. Masi (Beilinson, 1991). The managers act as co-dependents--like family members, they moderate the ramifications of the workers' abuse and avoid confrontations that could otherwise lead to healthy solutions. Almost half of the abusers have been at their companies from 15 to 30 years and hold managerial/professional positions (Appelbaum & Shapiro, 1989). Replacing them and training their replacements can be extremely costly and complicated.

Many managers have been hesitant to take action against employees for a variety of reasons. Most prevalent of these reasons is a lack of knowledge about the organization's EAP. With little training in the use of the EAP, many do not trust it, believing that covering up for workers is more helpful than referring them to an EAP counselor. Because of this lack of understanding of the EAP, some organizations have started requiring all managers to go through an EAP training course. In addition to describing the value of the EAP as a way to help employees, such courses train managers how to refer employees in a way that preserves the dignity of the employee and protects the organization against litigation.
While drug and alcohol abuse are major problems in today's work force, they are by no means the only problems that need to be dealt with. Other factors, too, have led to increased psychological problems among the work force. Altered family structures, the growth of single parent households, dependent care (both children and elderly parents), the increase in divorce, and greater job mobility, are all fairly recent increasing phenomena which have added to the stress experienced by employees at home. The resultant stress and violence in the homes is costing U.S corporations a fortune in lost time, productivity and quality of work. Recent reports stated the rise in domestic violence is costing U.S. corporations $3 billion to $5 billion annually (Driscoll, 1991). According to the U.S. Department of Labor, reconciling the "conflicting needs of work and families" must become a priority if the United States is to prosper in the next century (Driscoll, 1991, p. 1B).

Stress in the work place is yet another obstacle businesses need to help employees overcome. Mental health problems resulting from stress at work are "very pervasive" or "fairly pervasive," according to 72% of Human Resource managers and organizational medical directors who responded to a recent Gallup survey (Allen, 1990). The pervasiveness of stress among employees has far reaching negative consequences for the organization. It is estimated that
each employee who suffers from a stress related illness loses an average of 16 days of work a year as a result (Allen, 1990). Even when they are present, employees who suffer from stress are likely to be less productive than other employees.

Stress among employees has a more direct economic impact on the organization when employees sue the company or file workers' compensation claims for the stress they have suffered at work. Between 1982 and 1986, employee damage suits for stress related illnesses in California increased five-fold (Offerman & Gowing, 1990). In recent years, more employees are taking the workers' compensation route—and this trend is expected to continue (Allen, 1990). In order to survive in the 1990's and beyond, the employer should begin now to develop a preventive strategy for dealing with the increasing volume of employee claims for job stress made under its workers' compensation insurance policy.

At a time when substance abuse, mental health problems, and other stresses beset the U.S. workforce, an effective employee assistance program can be a wise investment. An efficient EAP can reduce illness, absenteeism, turnover, medical claims, disability claims, terminations, overtime costs, workers compensation claims, accidents, and supervisor time in disciplining troubled employees. Maintaining an EAP gives a clear signal to potential and current employees that management not only wants them, but
also cares about them and has demonstrated a commitment to their health and well-being. It is a necessity for the 1990's.

**Literacy.** Employees who have poor reading, writing, and comprehension skills need to learn efficient and effective ways to improve the skills they are deficient in. Employees who cannot read cost money. The current direct cost of illiteracy to American business is at least $20 billion a year in lost profits, lowered productivity, reduced international competitiveness, reduced promotability and increased remedial training. Indirect costs, such as lost customers and reduced consumer spending, could double or triple this figure (Goddard, 1987). Another estimate, cited in Goddard, put the cost at an estimated $225 billion annually in lost industrial productivity, unrealized tax revenues, welfare, prisons, crime, and related social ills.

Private businesses and corporations have invested billions of dollars to train and retrain their workforces, both new and existing. However, with the exception of the military, there has been very little attention paid to public sector workers. This is of particular significance when it is noted that in 1988 state and local governments (excluding Federal civilian, school district and special district employees) in the nation employed 9,244,291 persons with an annual payroll of over 16.9 billion dollars (Yaffe, 1992). An unwillingness or inability to recognize the issue
of workforce literacy may be part of the reason for the results of the following survey. Five hundred thirty-three local government units revealed that over 60% of the jurisdictions' currently employed workers lack basic language and arithmetic skills (Anderson & Ricks, 1993).

An estimated 47 million adults are borderline illiterates, those who function but not proficiently. An additional 25 million American adults are functional illiterates, meaning they are unable to read, write, calculate or solve problems at a level that enables them to manage even the simplest tasks (Goddard, 1987). The U.S. Department of Education estimates the functionally illiterate now account for 30% of unskilled workers, 29% of semiskilled workers, and 11% of all managers, professionals, and technicians. By the year 2000, 40% of the incoming workforce will be functionally illiterate (Overman, 1989).

Half of our nation's industrial workers read at or below the eighth-grade level (Goddard, 1987). Nearly 60% of today's 17-year olds lack the reading skills necessary to comprehend materials common in business and higher education (Szabo, 1990). Each year another 2.3 million functional illiterates age 16 or older join the nation's employment pool. One out of every eight employees in the United States reads at no more than a fourth-grade level, yet 85% of material read on the job is written at the ninth-grade level or above (Petrini, 1991).
Askov (1991) listed five reasons business and society must address the issue of literacy:

1. Technology is having a significant impact on the work place and in society.

2. An increasingly sophisticated world market is changing the way business and industry consider international competitiveness.

3. Changing demographics (increasing numbers of ethnic and racial minorities, women, older adults and handicapped individuals, decreasing numbers of youths) are altering the concept of American culture and the work place.

4. An increasingly high level of competence in communication skills is required for success in both the community and work place.

5. There is a newly discovered concern for literacy on the part of employers, unions, public officials, media, and others who are not educators.

By the year 2000, many lower skilled occupations will have disappeared, and new, highly skilled jobs will have replaced them (Bernardon, 1989). Most new jobs will demand more education and higher language, mathematics, and reasoning abilities than today's work place requires. Entry level positions will require a mastery of basic reading, mathematics, reasoning, and communication skills. Today's medium skill jobs will become tomorrow's low level occupations; few jobs will be available for the unskilled.
The automation and computer revolutions have eliminated many low literacy level industrial and clerical jobs and replaced them with jobs requiring a high order of work place literacy (Goddard, 1987; Offermann & Gowing, 1990).

As Askov (1991) noted earlier, changing demographics have a marked effect on work place literacy. The surge of immigrants to the U.S. in the 1980s has added a new element to the basic skills curriculum: English as a second language (ESL). Motorola reported that more than half the employees taking its basic skills courses are foreign born. Texas Instruments and Polaroid teach English to Asians and Europeans at various plant locations (Dreyfuss, 1991). Because new jobs will generally require higher education and skill levels many immigrants may find it difficult to find jobs without some type of formal training.

A shrinking pool of available applicants intensifies the need for literacy programs in the work place. The demand for skilled workers will continue to increase in the 1990s, but the labor market itself will grow at only one third the rate of the 1970's (Dreyfuss, 1990). If such trends as low reading and math skills continue, these workers will start their jobs unprepared and unqualified. An organization that might once have selected from the top 25% of a local school district's graduates must now choose employees even from among the bottom 50%. Many of these potential workers do not function at an eighth grade level.
Most entry level job candidates are rejected because of inadequate writing and verbal skills (Peak, 1990). More than one quarter of the applicants that do get the job will leave the company before their first year is up, most often due to unacceptable job performance.

America spends more money on education than any other country (Peak, 1990). In 1986, the federal government spent $100 million on the Adult Basic Education program. The program targeted only 5% of the illiterate population and 40% of those enrolled in the program did not complete it (Higgins, 1990). As a result, corporations spend $30 billion annually on basic skills training for employees.

These millions of adults who cannot qualify for work in the U.S. service and technological economy represent a major loss of potential customers as well as employees. The problem is getting more acute because automation and computerization have eliminated many jobs that required only limited skills and replaced them with jobs requiring greater skills.

As a result of this problem, U.S. corporations and governments will participate in fierce competition for available workers as competition for workers intensifies. This competition will not be for the best and the brightest; instead, the focus will be on attracting and retaining people who have the basic skills needed to perform the work. Management and their respective organizations will have to
shoulder much of the burden for bringing new hires up to entry level requirements.

After reviewing the literature on trends corporations and local governments will be facing in the future, it was determined that a needs assessment was necessary. Managers need to know what direction their organization is going. More importantly, they need to know how to handle the challenges they will encounter in the coming years, and how to prepare their subordinates for the changes. The most effective way to prepare management is through training. Education and training will contribute to the overall value of people as corporate and municipal assets.

In this study, current, salient, training issues and future trends in training were identified by managers in private industry, as well as local government. These issues and trends are the tools management feels it will need to prepare their subordinates for the changes to come as we approach the year 2000. It was also the intent of this study to compare the identified needs and trends of the two groups of managers.

A thorough search was made to locate similar studies to the one being conducted by this author. Primarily, studies identifying, and/or comparing training needs and trends of the two groups were sought. No parallel studies could be found, therefore, no comparisons to past research could be made. Because of the obvious differences in their daily
operation, it was hypothesized that the two groups would have different training needs, and, therefore, foresee diverse trends. The following study was designed to test this hypothesis.
CHAPTER II

METHOD

Subjects

Subjects were from two separate sources. The first source was the City of Arlington, Texas, and the second a major newspaper in the Midwest (hereafter referred to as, "the newspaper").

The group of subjects from the City of Arlington (population 262,000) consisted of 44 current managers randomly selected from the pool of managers within the city. All levels of management (first-line through senior) were represented. The sex and race of the individuals in the sample population proportionately reflected the makeup of city management. Thirty-four managers from the newspaper made up the second group of subjects. Again, these subjects were randomly selected and represented all levels of management. The sex and race within the newspaper's sample population were commensurate with the actual population of management for the company.

Instrumentation

A survey was constructed for each subject group based on the findings in the literature as well as a similar study conducted by Development Dimensions International (DDI) in
conjunction with Human Resource Executive (1990) (see Appendix A). DDI is an international consulting firm that specializes in providing programs for supervisory and managerial training, personnel selection, and assessment. They have over 5,000 clients world-wide. Human Resource Executive is a monthly publication which helps keep business leaders abreast of trends in the human resource field. It has a circulation of 45,000.

DDI and Human Resource Executive originally came up with 16 training content areas. Review of these areas in the current literature by the present author confirmed them to be the most pertinent training needs to today’s managers (see the preceding literature review). For the purpose of this study 12 of DDI’s content areas were used. The four areas not used include, "Influencing others," "International acclimation," "Job-specific technical/professional skills," and "Sales." These content areas were not used, because the Director of Human Resources for the City of Arlington did not feel the need to explore them with his managers at the time the survey was conducted. In order to keep the study uniform, the training areas were not contained in the newspaper’s survey.

In addition, the content area "Literacy" was included for both groups of subjects. This content area was added, because the Director felt it a pertinent subject and was interested in determining the feelings of his managers on
the topic. For the sake of continuity, the area was included in the newspaper’s survey.

The 13 areas and a brief definition of each are as follows:

1. Communication Skills. Effective communication is using interpersonal skills to interact with others inside/outside the organization. This includes clear verbal communication, good listening ability, and effective interaction skills.

2. Building/Facilitating teams. Efficient team building and facilitating involves guiding a team of individuals toward a common goal. This includes using appropriate interpersonal skills and effective process skills to keep a team on course. A sense of team spirit needs to be developed.

3. Total Quality Control Concepts. Total Quality Management is intended to establish ways to ensure that products and/or services meet or exceed customer requirements.

4. Recruitment/Selection. Appropriate recruitment and selection of personnel involves learning and using efficient and effective ways to attract and choose qualified candidates.

5. Managing Diverse Work Force. Diversity will require developing ways to meet and value the needs of
different groups of individuals—based on ethnic background, gender, age—in the work place.

6. Career Development/Planning. Managers need to develop their own career goals or objectives and establish a course of action to meet them.

7. Developing Subordinates. Management needs to assist subordinates in the formulation of career goals or objectives and help them obtain the proper training and experience to achieve these goals.

8. Introducing/Managing Organizational Change. Managing or introducing change efficiently involves introducing change in a manner that gains the commitment and involvement of those affected.

9. Ethics. Appropriate ethical behavior involves learning and using proper codes of conduct within the organization's environment.

10. Performance Management/Appraisal. Effective performance appraisals involves establishing with subordinates goals or objectives that relate to the organization's business plans. Day-to-day coaching, and evaluating performance needs to be provided.

11. Customer Service Skills. Developing customer service skills means learning and implementing behaviors that will meet and exceed customer expectations.

12. Dealing with Troubled Employees. Helping troubled employees includes learning how to intervene and when to
refer employees with workplace problems—e.g., substance abuse—to proper sources for counseling and/or assistance.

13. Literacy. Employees who have poor reading, writing, and comprehension skills need to learn efficient and effective ways to improve the skills they are deficient in.

A space for participants to include issues not mentioned in the survey was listed on both surveys as well. The participants were asked to answer three questions concerning each training issue. Question 1 asked the subject to rate each particular issue as to current importance. A scale of 1 through 5 (1 = low and 5 = high) was used. The purpose of this question was to ascertain whether or not the managers saw the issue as being important to the organization today. The answers to this question assists the training personnel in scheduling training for the immediate future.

Question 2 asked if current training for each issue was meeting the needs of the manager and his or her department. The response for this question was a "yes" or "no." Responses to this question evaluated the effectiveness of the current training program.

Question 3 asked whether training in each area would become more important to the individual manager and his or her department over the next three years. Again, the response was a "yes" or "no." This question not only could
assist the two training departments in determining future training programs, but could benefit the managers, as well. Management must focus on the future and where they see their departments going in the years ahead. The answers to this question assist the managers in preparing for and facing inevitable future change.

Procedure

Subjects were treated ethically, in keeping with the guidelines of the American Psychological Association pertaining to openness and honesty in the researcher-participant relationship. Before the survey was administered, each subject was informed as to the purpose of the study, and what was hoped to be accomplished. Confidentiality of survey responses was guaranteed.

Each subject was notified by inter-city or inter-office memo of the survey and its purpose. The study had the approval of the Director of Human Resources of the city and the Manager of Human Resources of the newspaper and each subject was notified of that.

Analysis of Results

The analysis of questionnaire data was a MANOVA (Multivariate Analysis of Variance) between the two organizations across all 13 areas and was repeated for each of the three questions. If there were significant overall MANOVA F's, then the univariate F's were examined for each content area to determine exactly where the differences lay
between the two groups. For the "Yes/No" items a score of YES=2 and NO=1 were used.

The lack of a response on some items, which resulted in missing data, could provide meaningful information. The possibility that the tendency to skip items may have been greater in public or private sector managers, or that some items may have been skipped more frequently than other items, was examined using a two-way ANOVA on the data with missing responses represented by 0's and responses identified by 1's. Items (13 levels) and business sectors (2 levels) were the factors in the two-way ANOVA, and items were treated as a repeated measure.

Finally, correlation analysis was performed on each item in the two sectors (public and private) to determine if there was a pattern of significant correlations between the two groups of managers. Pearson Correlation Coefficient was used.
CHAPTER III

RESULTS

Current Importance

The analyses of responses were conducted on the 43 public sector and 25 private sector managers who responded to all items. Means, standard deviations, and rank order of means for each training issue under the heading, "Current Importance," can be found in Table 1.

The responses of managers from the public and private sectors were significantly different with respect to the current importance of these training issues, MANOVA $F(13, 54) = 2.07, \ p < .05$. Examination of the individual items revealed significant differences between public and private sector managers on Items 2 (Building & Facilitating Teams), $F(1, 66) = 4.83, \ p < .05$; and Item 7 (Developing Subordinates), $F(1, 66) = 6.73, \ p < .05$.

Managers in the private sector rated Building & Facilitating Teams as more important than managers in the public sector. For this training issue the mean was 4.0, and the standard error of the mean was +/-0.15 for the private sector, versus a mean of 3.58, and a standard error of the mean of +/-0.13 for the public sector. Managers in the public sector rated Developing Subordinates as more important than managers in the private sector. For this
Table 1

Descriptive Statistics for "Current Importance" Items

<table>
<thead>
<tr>
<th>Training Issue</th>
<th>Public</th>
<th></th>
<th></th>
<th>Private</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>Rank</td>
<td>M</td>
<td>SD</td>
<td>Rank</td>
</tr>
<tr>
<td>1. Comm. Skills</td>
<td>4.500</td>
<td>0.792</td>
<td>1</td>
<td>4.412</td>
<td>0.821</td>
<td>2</td>
</tr>
<tr>
<td>2. Teams</td>
<td>3.581</td>
<td>0.879</td>
<td>6</td>
<td>4.000</td>
<td>0.844</td>
<td>3</td>
</tr>
<tr>
<td>3. Quality</td>
<td>3.721</td>
<td>1.098</td>
<td>4</td>
<td>3.606</td>
<td>1.059</td>
<td>5</td>
</tr>
<tr>
<td>5. Diverse</td>
<td>3.614</td>
<td>0.945</td>
<td>5</td>
<td>3.576</td>
<td>0.969</td>
<td>8</td>
</tr>
<tr>
<td>6. Career Devel.</td>
<td>3.477</td>
<td>0.927</td>
<td>7</td>
<td>3.500</td>
<td>0.880</td>
<td>9</td>
</tr>
<tr>
<td>7. Develop Sub.</td>
<td>4.140</td>
<td>0.754</td>
<td>3</td>
<td>3.600</td>
<td>0.916</td>
<td>6</td>
</tr>
<tr>
<td>8. Change</td>
<td>3.614</td>
<td>0.895</td>
<td>5</td>
<td>3.606</td>
<td>0.998</td>
<td>5</td>
</tr>
<tr>
<td>9. Ethics</td>
<td>3.432</td>
<td>0.925</td>
<td>8</td>
<td>3.588</td>
<td>0.925</td>
<td>7</td>
</tr>
<tr>
<td>10. Perform App.</td>
<td>3.721</td>
<td>0.959</td>
<td>4</td>
<td>3.938</td>
<td>0.801</td>
<td>4</td>
</tr>
<tr>
<td>11. Cust. Serv.</td>
<td>4.250</td>
<td>0.811</td>
<td>2</td>
<td>4.484</td>
<td>0.619</td>
<td>1</td>
</tr>
<tr>
<td>12. Troub. Emp.</td>
<td>3.273</td>
<td>0.949</td>
<td>9</td>
<td>3.500</td>
<td>0.862</td>
<td>10</td>
</tr>
<tr>
<td>13. Literacy</td>
<td>2.341</td>
<td>1.328</td>
<td>11</td>
<td>3.030</td>
<td>1.380</td>
<td>11</td>
</tr>
</tbody>
</table>

For the training issue the public sector had a mean of 4.14, while the standard error of the mean was +/- 0.11 versus a mean of 3.60, and a standard error of the mean of +/- 0.19 for the private sector.
An analysis of missing data showed that one manager (2%) in the public sector skipped, or did not answer, one or more items while 9 managers (26%) in the private sector skipped one or more items. Managers in the private sector were more likely to skip items than managers in the public sector, the main effect for Sector was statistically significant $F(1, 76) = 4.81, \ p = .03$. However, the 13 items were all equally likely to be skipped. The main effect for Item was not statistically significant, $F(12, 912) = .87, \ p = .56$. There was no significant difference between the public and private sector managers in terms of which items they skipped. The Sector by Item interaction was not statistically significant $F(12, 912) = .80, \ p = .65$.

An analyses of correlations of each item, using the Pearson Correlation Coefficient, produced seven significant correlations between the public and private managers (see Tables 4 and 5, Appendix B for correlations between all items). The following items showed a significant correlation in both groups of managers:

1. Managing Diverse Work Force (#5) and Developing Subordinates (#7)

2. Developing Subordinates (#7) and Introducing/Managing Organizational Change (#8)

3. Introducing/Managing Organizational Change (#8) and Building/Facilitating Teams (#2)
4. Ethics (#9) and Total Quality Control Concepts/Techniques (#3)

5. Performance Management/Appraisal (#10) and Total Quality Control Concepts/Techniques (#3)

6. Customer Service Skills (#11) and Communication Skills (#1)

Current Training

The analyses of responses were conducted on the 37 public sector and 25 private sector managers who responded to all items. Means, standard deviations, and rank order of means for each training issue under the heading, "Current Training," (listed in the survey in Appendix B under the heading, "Current Training Meeting Needs") can be found in Table 2.

Public sector and private sector managers were not quite significantly different in terms of their responses to these 13 issues, MANOVA $F(13, 48) = 1.77, p = .08$. Therefore, individual items were not examined.

Missing data analysis showed seven managers (16%) in the public sector skipped one or more items, and 9 managers (26%) in the private sector skipped one or more items. Managers in the private sector were no more likely to skip items than managers in the public sector, the main effect for Sector was not statistically significant $F(1, 76) = 1.96, p = .16$. The 13 items were all equally likely to be
Table 2

**Descriptive Statistics for "Current Training" Items**

<table>
<thead>
<tr>
<th>Training Issue</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>1. Comm. Skills</td>
<td>1.500</td>
<td>0.506</td>
</tr>
<tr>
<td>2. Teams</td>
<td>1.405</td>
<td>0.497</td>
</tr>
<tr>
<td>3. Quality</td>
<td>1.619</td>
<td>0.492</td>
</tr>
<tr>
<td>4. Recruit</td>
<td>1.432</td>
<td>0.501</td>
</tr>
<tr>
<td>5. Diverse</td>
<td>1.568</td>
<td>0.501</td>
</tr>
<tr>
<td>6. Career Devel.</td>
<td>1.614</td>
<td>0.493</td>
</tr>
<tr>
<td>7. Develop Sub.</td>
<td>1.659</td>
<td>0.479</td>
</tr>
<tr>
<td>8. Change</td>
<td>1.488</td>
<td>0.506</td>
</tr>
<tr>
<td>9. Ethics</td>
<td>1.500</td>
<td>0.506</td>
</tr>
<tr>
<td>10. Perform App.</td>
<td>1.310</td>
<td>0.468</td>
</tr>
<tr>
<td>11. Cust. Serv.</td>
<td>1.250</td>
<td>0.438</td>
</tr>
<tr>
<td>12. Troub. Emp.</td>
<td>1.182</td>
<td>0.390</td>
</tr>
<tr>
<td>13. Literacy</td>
<td>1.341</td>
<td>0.479</td>
</tr>
</tbody>
</table>

skipped, the main effect for Item was not statistically significant, F(12, 912) = .97, p = .48, and there was no significant difference between the public and private sector managers in terms of which items they skipped, the Sector by
Item interaction was not statistically significant $F(12, 912) = .84, p = .61$.

An analyses of correlations of each item produced four significant correlations between the public and private managers (see Tables 6 and 7 in Appendix B for correlations between all items). The following items showed a significant correlation in both groups of managers:

1. Building/Facilitating Teams (#2) and Total Quality Control Concepts/Techniques (#3)

2. Total Quality Control Concepts/Techniques (#3) and Managing Diverse Work Force (#5)

3. Introducing/Managing Organizational Change (#8) and Communication Skills (#1)

4. Ethics (#9) and Total Quality Control Concepts/Techniques (#3)

**Future Importance**

The responses were analyzed for the 40 public sector and 23 private sector managers who responded to all items. Means, standard deviations, and rank order of the means for each training issue under the heading, "Future Importance," can be found in Table 3.

The managers in the public sector did not differ from the managers in the private sector with respect to their responses on these 13 items, MANOVA $F(13, 49) = 1.22, p = .29$. Individual items were not analyzed.
Table 3

**Descriptive Statistics for "Future Importance" Items**

<table>
<thead>
<tr>
<th>Training Issue</th>
<th>Public M</th>
<th>SD</th>
<th>Rank</th>
<th>Private M</th>
<th>SD</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Comm. Skills</td>
<td>1.273</td>
<td>0.451</td>
<td>10</td>
<td>1.152</td>
<td>0.364</td>
<td>11</td>
</tr>
<tr>
<td>2. Teams</td>
<td>1.442</td>
<td>0.502</td>
<td>4</td>
<td>1.219</td>
<td>0.420</td>
<td>9</td>
</tr>
<tr>
<td>3. Quality</td>
<td>1.256</td>
<td>0.441</td>
<td>11</td>
<td>1.387</td>
<td>0.495</td>
<td>5</td>
</tr>
<tr>
<td>4. Recruit</td>
<td>1.409</td>
<td>0.497</td>
<td>6</td>
<td>1.406</td>
<td>0.499</td>
<td>4</td>
</tr>
<tr>
<td>5. Diverse</td>
<td>1.273</td>
<td>0.451</td>
<td>10</td>
<td>1.512</td>
<td>0.364</td>
<td>1</td>
</tr>
<tr>
<td>6. Career Devel.</td>
<td>1.295</td>
<td>0.462</td>
<td>9</td>
<td>1.296</td>
<td>0.465</td>
<td>7</td>
</tr>
<tr>
<td>7. Develop Sub.</td>
<td>1.227</td>
<td>0.424</td>
<td>12</td>
<td>1.290</td>
<td>0.461</td>
<td>8</td>
</tr>
<tr>
<td>8. Change</td>
<td>1.341</td>
<td>0.479</td>
<td>7</td>
<td>1.387</td>
<td>0.495</td>
<td>5</td>
</tr>
<tr>
<td>9. Ethics</td>
<td>1.548</td>
<td>0.504</td>
<td>2</td>
<td>1.438</td>
<td>0.504</td>
<td>3</td>
</tr>
<tr>
<td>10. Perform App.</td>
<td>1.419</td>
<td>0.499</td>
<td>5</td>
<td>1.333</td>
<td>0.479</td>
<td>6</td>
</tr>
<tr>
<td>11. Cust. Serv.</td>
<td>1.318</td>
<td>0.471</td>
<td>8</td>
<td>1.212</td>
<td>0.415</td>
<td>10</td>
</tr>
<tr>
<td>12. Troub. Emp.</td>
<td>1.455</td>
<td>0.504</td>
<td>3</td>
<td>1.212</td>
<td>0.415</td>
<td>10</td>
</tr>
<tr>
<td>13. Literacy</td>
<td>1.674</td>
<td>0.474</td>
<td>1</td>
<td>1.500</td>
<td>0.508</td>
<td>2</td>
</tr>
</tbody>
</table>

The analysis of missing data showed four managers (9%) in the public sector and 11 managers (32%) in the private sector skipped one or more items. Managers in the private sector were more likely to skip items than managers in the public sector, the main effect for Sector was statistically...
significant $F(1, 76) = 4.65, p = .03$. Some of the 13 items were skipped more frequently than others. The main effect for Item was statistically significant, $F(12, 912) = 2.45, p = .004$, and the frequency with which managers in the different sectors skipped items differed depending on the item. The Sector by Item interaction was statistically significant $F(12, 912) = 2.40, p = .005$. About 6% of all managers in the private sector skipped each item, but 21% of all managers in the private sector skipped Item 6 (Career Development/Planning), and 12% of managers in the private sector skipped Item 10 (Performance Management/Appraisal). Every item had a response from more than 95% of all public sector managers.

An analyses of correlations of each item, using the Pearson Correlation Coefficient, produced five significant correlations between the public and private managers (see Tables 8 and 9 in Appendix B for correlations between all items). The following items showed a significant correlation in both groups of managers:

1. Managing Diverse Work Force (#5) and Introducing/Managing Organizational Change (#8)
2. Managing Diverse Work Force (#5) and Dealing With Troubled Employees (#12)
3. Career Development/Planning (#6) and Dealing With Troubled Employees (#12)
4. Developing Subordinates (#7) and Dealing With Troubled Employees (#12)

5. Ethics (#9) and Dealing With Troubled Employees (#12)
CHAPTER IV

DISCUSSION

The data from "Current Importance" analysis in the present study supported the hypothesis that there would be differences in the training needs and future trends of public and private sector managers. It was somewhat surprising, however, that there were only two content areas that showed significant differences—current importance of team building and developing subordinates. There were no significant differences found in the categories, "Current training meeting needs," or "More important over next three years."

It is surmised that the reason for the lack of greater differences between the two groups lies in the actuality that both sets of managers are just that—managers. The fact that these men and women are managers for different types of workforces does not seem to have considerable bearing on their training needs. It is, therefore, concluded from the present data, that there are minor differences in the current importance of training, in two content areas, between the public and private sectors, but no significant differences in the two groups' current training needs or future importance.
The results of this study brought out several significant issues. The first being the differences found in the "Current Importance" of training areas versus no differences found in the same training issues, "Future Importance." It was assumed, after first reviewing the data, that if there were differences between the two groups in what is presently important to them, there would also be differences in what will be important three years from now. The data do not support this theory. A possible explanation for this finding is that both groups of managers see the business world--both public and private--as moving in the same direction. Both groups of workers will need to focus on the same elements to be successful in the coming years. What is seen as different now will not be seen as such in the future.

Another point brought about by the study is that there were no differences in the question of whether training needs were currently being met. It was initially theorized that because the two groups of managers came from such diverse backgrounds there would indeed be a difference in how current training needs were being met. It was assumed that because one group is publicly funded and the other privately, there would be a discrepancy in how training was perceived. Because the results were not quite significantly different, it is assumed that both groups are equally satisfied with current training in each content area.
The final issue brought into view by the study was that the managers seem to agree on the current importance of all the training issues reviewed in this paper, with the exception of one—literacy. While there was not a significant difference between the two groups, the mean score for the current importance of this training issue was lower than any other training issue for both groups of managers. On a scale of 1 to 5 (1 = low and 5 = high), public sector managers averaged 2.34, while private sector managers had a mean score of 3.03. Both sectors ranked this issue 11th. This implies both sets of managers currently see literacy as being low to moderately important. The author does not wish to assume that the managers did not feel literacy was an important training issue. Rather, it was worth noting that literacy was perceived as the least important of all the training issues presented by both management groups under the heading "Current Importance." Under the heading, "Future Importance," however, literacy received a ranking of 1 (mean score of 1.67) for the public sector and 2 (mean score of 1.50) for the private sector, giving the impression that both sets of managers think this training issue will be a matter of concern in the future.

Yet another point of interest is the missing data in the study. Throughout the study, the private sector managers consistently skipped more questions than their public sector counterparts. Two items were found to be
significantly omitted more than the others. These two items concerned the future importance of "Career Development/Planning," (with 21% of the managers skipping the question) and "Performance Management/Appraisal" (12% of the managers skipped). What makes these omissions interesting is the fact that the organization the private sector managers work for, a major newspaper in the Midwest, had gone through a dramatic merger of companies approximately one year prior to the completion of the study. Many of the managers studied had been profoundly affected by this merger. It is the opinion of this author that the merger drastically affected the outcome of these two particular questions. Many managers may have been unsure of their future relationship with DNA and, therefore, were unable to, or felt uncomfortable answering the question concerning career development. As for the question concerning performance appraisals, managers may have been unsure of how the current performance appraisal system works, or may have been displeased with the appraisal they received from their new supervisor. Whatever their reasons, as stated earlier, the private sector managers consistently skipped more items than did the public sector managers. It is the belief of this author that the merger played an important role in the omission of the items. As was discussed earlier, in the literature review, change—mergers included—can and does have a profound effect on workers' lives.
The correlation analyses performed on the training issues in the public and private sectors produced intriguing data. All three areas being examined had approximately the same number of significantly correlated items. The point of interest lies in the specific training issues that were determined significant and common to both the private and public sectors in the areas, "Current Training," and "Future Importance." Under the former, Total Quality Control Concepts/Techniques (#3) appeared in three of the four correlations. This issue was significantly correlated to "Building/Facilitating Teams (#2), "Managing Diverse Work Force" (#5), and "Ethics" (#9). Under "Future Importance," "Dealing with Troubled Employees" (#12) was significantly correlated to four of the five training issues. Those training issues include the following: (#5), "Career Development/Planning" (#6), "Developing Subordinates" (#7), and (#9).

One specific point of interest emerged from this data. The fact that #12 was significantly correlated to four of the five training issues is interesting in itself. What makes it more distinctive is the cluster of issues it is correlated to. All four issues, (#5), (#6), (#7), and (#9) deal primarily with individual employees and not employees as a group or employees as they affect customers or the product they sell. Being listed under "Future Importance" makes the author think that concentrating more on employees
as individuals as a means of helping the whole may become more important in the future.

One suggestion can be made as to future studies in the area of public versus private sector training needs. A greater number of subjects representing both groups of managers would assist the researcher in attaining a wider range of results. By having a larger pool of subjects, the variety of responses would increase, giving a better example of the overall population of managers. This author was unable to collect a larger data sample but feels added subjects would enhance future studies.

A follow-up study with the private sector organization would prove useful, as well. It would be interesting to survey managers in the company two to three years from now to see if the merger did have some effect on their answers, or how their answers had changed. A task such as this, however, is interesting in theory, but quite difficult to accomplish in reality.

The survey of the two different groups of management showed that while the managers disagreed on the current importance of several training issues, they generally agreed on the need for training for themselves and their subordinates. Overall, it seemed the groups of managers agreed with the importance of some, if not all, of the training issues listed in the survey. Some managers favored one issue over another, but for the most part, the survey
supported the research in the literature review. Because no previous, similar studies could be located, no comparisons can be made with other managers, or other research. Change is an ongoing occurrence in the world today. Organizations, both public and private, need to prepare for the changes they face. Training the workforce today is one powerful way of preparing for tomorrow.
# Training Needs and Future Trends

The following training issues were identified by Development Dimensions International, a national consulting firm, as the top 17 issues facing organizations in meeting the challenges of "Work Force 2000."

<table>
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<tr>
<th>Training Content Areas</th>
<th>Current Importance</th>
<th>Current Training Meeting Needs?</th>
<th>More Important Over Next 3 Years?</th>
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**In the Current Importance column, circle a rating of 1, 2, 3, 4, or 5 for each of the training issues.**

**In the Current Training Meeting Needs column, circle Y (YES) or N (NO).**

**In the More Important Over the Next Three Years column, circle Y (YES) or N (NO).**
Table 4

Correlations Between Items under "Current Importance" for the Public Sector

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Table 5

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*p<.05=a
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Table 6

Correlations Between Items under "Current Training" for Public Sector

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Correlations Between Items under "Future Importance" for Private Sector

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*p < 0.05 = a
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MEMO

TO: XXXXXXXX
FROM: XXXXXXXX, DIRECTOR OF HUMAN RESOURCES
SUBJ: TRAINING NEEDS AND FUTURE TRENDS
DATE: XXXXXXXX

The Human Resources Department is conducting a study to assess the effectiveness of the city’s training and development function. We are interested in determining three things:

* What are the city’s current training priorities?
* Are we meeting the city’s training needs/priorities?
* What will the city’s training issues/needs be in the future?

You have been selected as one of 44 managers to take part in this study. We would appreciate your assistance by filling out the attached survey. Please give us your perspective on current training priorities and the training your staff will need to meet your service demands in the future. As you respond, it may be helpful for you to get input from other employees in your department.

Lauri Delfeld, a practicum student at the University of North Texas will be collecting the surveys and using the results in her Master’s Thesis as well as in a report for the city. All responses will be kept confidential.

It is our intent, through this survey, to determine where your training needs, as well as your subordinates’, lie. Through this knowledge, the Training & Development Department hopes to provide the city with necessary and helpful training.

We appreciate your assistance with this project and will be happy to report the findings once the study has been completed. Again, all responses will remain strictly confidential.
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REFERENCES


Performance evaluation, goal setting, and feedback (pp. 1-45). Greenwich, Ct.: Jai Press, Inc.


