SYSTEMS MODEL APPROACH TO DESIGNING LEARNING & DEVELOPMENT: THE CASE OF MENTORING AT ERNST & YOUNG

Robert D. Hatfield, Western Kentucky University
Gordon Ford College of Business
Department of Management
1 Big Red Way
Grise Hall 208
Bowling Green, KY 42101
bob.hatfield@wku.edu

Norbert F. Elbert, Eastern Kentucky University
Department of Management, Marketing and International Business
College of Business & Technology
Richmond, KY 40475
norb.elbert@eku.edu
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ABSTRACT

The training literature affirms a model which views learning and development (i.e., L&D) as a system. Most references to such a model indicate that it is a multi-step model which begins with a needs assessment step and ends with a training evaluation step. However, both employers and students struggle with understanding and implementing the steps of the complete model. It is estimated that nearly 75 percent of companies experience conflict between members of different generations and many are using mentoring as one means of reducing it. The case of mentoring at Ernst & Young provides an excellent illustration of learning and development using all steps in the acknowledged model. This article identifies this acknowledged learning and development model, applies the facts of the Ernst & Young example to the model, and examines implications in today’s learning environment.

INTRODUCTION

The importance of training is increasing in the U.S. U.S. companies are providing more hours of formal training than ever before. The 2011 State of the Industry report, developed annually by the American Society for Training & Development (ASTD) found that the average U.S. worker, in 2010, now receives 56 hours per employee, up dramatically from the 47 hours in 2009 (Green and McGill, 2011). The money spent per employee on training in the U.S. also increased to $1228 per employee in 2010, a 13 percent increase from 2009 in the amount spent per employee on Learning and Development (i.e., L&D) activities and infrastructure. This led to a total of $171.5 billion spent on L&D in 2010. Data from more than 400 responding organizations, across all sectors, demonstrate that there is an ongoing commitment to the delivery of knowledge and the development of employees from the hourly level through top management.

Coaching and mentoring are two training methods quickly becoming the method of choice for grooming the next generation of managers and employees. The Society of Human Resource Management (SHRM) reported that nearly 75 percent of companies they polled experience conflict between generations and that 56 percent are actively working to address and reduce this conflict (FAST FACT, 2011). In 2012, five generations will be present in the workplace, so the problem is only growing. Coaching and mentoring, inevitably, must play a key role in such a transformation.

Organizations need to tap into the rich pools of knowledge available within their firms, and then find ways to share it among employees. Mentoring is an excellent strategy for learning professionals at all levels, but especially at the entry level (Zachary, 2009). Recently “learning” has become an even broader and popular employee development term. Knowledge management, organizational learning, continuous (individual) learning, and other paradigm shifts in management thinking are a result of the “new economy” based upon “knowledge” workers. Learning is “a self-directed, work-based process leading to increased adaptive capacity” (Wexley

The thought of learning often brings to mind a trainer and traditional training techniques such as watching a video or listening to a lecture. However, the actual process of conducting the training is one part of the total training process. Successful training involves considerable effort both before and after the training is “delivered”. In other words, training is best thought of as a complex system that involves a number of distinct but highly interrelated sequential steps.

Researchers and training authors have advanced models which seem to have a core of acknowledged requirements (see Noe, 2005; Alvarez, 2004; Hadfield-Law, 2002; Walker & Krueger, 2002; Carrell, Elbert, & Hatfield, 2000; Wexley & Latham, 1984). Perhaps the best known evaluation methodology for judging training programs is Donald Kirkpatrick's Four Level Evaluation Model that was first published in a series of articles in 1959 in the Journal of American Society of Training Directors (now known as T+D Magazine). However his best known work is the 1994 edition of Evaluating Training Programs. All models or careful discussions about the design of training and learning programs converge on several factors: confirming a need for learning, identifying the desired goals or objectives, selecting an approach(es) to attain the objectives, conducting the training program or episode, and evaluating the relative success of the training. While other factors are identified in various models, these five steps emerge from the literature.

**Step 1. Assess Needs**
**Step 2. Set Objectives**
**Step 3. Select Training Method**
**Step 4: Conduct Training**
**Step 5: Evaluate Training**

**SYSTEMS MODEL FOR TRAINING AND LEARNING**

A key determination in needs assessment, at any level, is whether there is gap between the actual and the desired performance. Such gaps are called “performance gaps” or “learning opportunities”. The gap is generally due to organizational changes or a mismatch between skills and job requirements (“Is Training Ready to Become One of the Movers and Shakers”, 2005). Training is one of the keys to filling performance gaps such as a skills gap. Needs assessment allows the training manager to later set the training objectives by answering two very basic questions: who, if anyone, needs training and what training is needed. Needs assessment, may be conducted at three levels: organizational analysis, task analysis, and person analysis (Wexley & Latham, 2002; Service Providers Offer Best Practices, 2005).

The assessment of development needs should result in a program of training approaches somewhat individualized for each employee. An assessment of one retail supervisor may find weaknesses in counseling employees and conducting performance appraisals. Another supervisor may be strong at motivating employees but weak in dealing with scheduling. The training effort should attempt to meet employees where they currently stand and address their individual needs by identifying the gap between their current and future competencies.

Following an assessment of needs, and after a determination is made that training is the appropriate approach, training objectives should be written. Training or learning objectives should reflect the gap(s) identified and specify exactly what the participant should be able to do, know, or think upon completion of training. Well-written objectives have three major benefits (Carrell, Elbert, & Hatfield, 2000): 1) they help determine which methods are appropriate by
focusing on the areas of performance that need to change; 2) they clarify what is to be expected of both the trainer and the participants; and 3) they provide a basis for post-training evaluation.

After a needs assessment has identified a performance gap and after objectives have been set, the organization is ready to design the needed training program. The organization should be careful to design, or purchase, a training program that will yield verifiable results; otherwise, the large financial investment in training will not pay off. Employers should use the same business standards for proving a need and purchasing that they would demand for other business investments like buying a new machine or piece of property.

Training techniques, outsourced or conducted internally, may be used while employees are either off the job or on the job (OJT). When choosing a training method the learning climate of the workplace needs to be taken into account. Mentoring begins with a strong corporate culture that everyone has something to teach, and everyone has something to learn (Emelo, 2011, p.34). Companies such as Agilent, Yum!Brands, and McDonald’s, have strong mentoring cultures and use mentoring in a variety of ways (Emelo, 2011). Agilent depends on offline assistance by one person to another when making significant career transitions. Yum!Brands has woven people development into all elements of its culture whereas McDonald’s offers an internal, online, virtual mentoring program that employees can utilize at their pace for making work connections.

Off the job training includes any form of training performed away from the employee's immediate work area, either: 1) in-house programs that are conducted within the organization's own training facility, by training specialists from HR, external consultants, or a mix; and 2) off-site programs held elsewhere and sponsored by an educational institution, professional association, government agency, or training consultant. We have traditionally thought that two-thirds of what employees know about their jobs they learn informally on the job from the people they work with. Formal training programs account for only one-third of learning (Stack, 1998).

On the job techniques, commonly referred to as OJT, typically involve job instruction given by an employee's supervisor or an experienced co-worker. OJT is not limited to nonmanagerial or front-line employees. Managers also learn by doing. OJT techniques enable managers to practice management skills, make mistakes, and learn from their mistakes under the guidance of an experienced, competent senior mentor. OJT methods include job rotation and lateral promotion, job instruction training, apprentice training, committee assignments, coaching, and mentoring (Carrell, Elbert, & Hatfield, 2000).

Mentor was the wise teacher asked to watch over Odysseus' son while Odysseus fought in the Trojan War. Mentor gave support, guidance, and took a very special interest in the well-being of his charge. Mentoring is a developmental partnership through which one person shares knowledge, skills, information and perspective to foster the personal and professional growth of someone else. Thus, we have come to know mentors as those who guide and nurture the career growth of their junior "protégés".

A mentor "shows the ropes" to the protégé. We all have a need for insight that is outside of our normal life and educational experience. Many organizations have set up formal mentor programs, often as part of their affirmative action or orientation efforts. Informal mentoring relationships are based upon mutual judgments: the mentor must see promise of excellence in the protégé and the protégé must have great respect for the experience and success of the mentor. The effectiveness of formal, somewhat artificial, mentoring programs has not been established to be the same as in the more natural informal relationships, where the mentor and protégé are perhaps more genuinely committed to each other.
Many observers recommend that companies foster a climate encouraging one-on-one mentoring programs. They not only cost less in time and effort than creating a broad initiative but also allow protégés to more easily identify someone with desired expertise (Pont, 2005). One of the biggest problems with formal programs is they don't articulate this is a relationship owned by the individuals, not the corporation (Jenkina, 2005).

Research indicates that there is now similarity in the mentoring relationships between the genders if males and females have the same education. While there are still fewer women in top-level management positions, and while cross-gender mentorships can be sensitive, top-performing women are now as likely to be mentored as their male counterparts. Females and males both report receiving more promotions, having higher incomes, and being more satisfied with their pay and benefits than those who experience little or no mentoring (Dreher & Ash, 1990).

Yet, the controversial “glass ceiling” seems to remain in effect for racial minorities and women at least in certain situations. David Thomas, at Harvard Business School, issued a report called The Truth About Mentoring Minorities: Race Matters (Jenkina, 2005). Thomas studied the progression of three major U.S. companies and found that promising whites fast-tracked early and received early promotions while minorities' careers didn't take off until after they reached middle management, assuming they remained in the corporate game. Thomas' research found that those managers of color who advanced the most shared one characteristic: a strong network of mentors and powerful corporate sponsors who offered long-term, close developmental support. Similarly, a 2004 study (Jenkina, 2005) found 56% of female and 52% of male executives named "having an influential mentor or sponsor" as an important or very important success strategy. Yet, only 23% of women and 17% of men surveyed were satisfied with the availability of mentors at their workplaces.

The fourth step in the training model is the implementation step. There are many decisions, responsibilities, and details that go with the implementation of a training program. Often training and learning departments use check-sheets to ensure that all supplies, and technologies are available at the right place at the right time. When traditional models or mentoring programs stumble, be prepared to adapt and make changes. One communications company had to adapt its traditional one-on-one mentoring program because the workforce, predominantly Generation Y employees, was not interested in structured mentoring and preferred a reverse mentoring format when it came to sharing technology (Little, 2011).

The fifth step in the training model is evaluation. With over $171.5 billion a year spent on formal training in the U.S. organizations rightfully are asking, “Are we getting our money's worth?” One comprehensive evaluation strategy provides for four different levels of training evaluation. Kirkpatrick advocates applying each level of his evaluation to every training and learning program. It has become a best practice to follow his model and measure the trainees' reaction, trainees' learning, change in trainees' behavior, and impact of the program on organizational effectiveness (Kirkpatrick, 1994).

APPLYING THE TRAINING MODEL TO ERNST & YOUNG’S SITUATION

The performance gap identified at Ernst & Young and the steps that firm took present an excellent example of the training model identified in this article.

Step 1: Assessing needs (Organizational level) at Ernst & Young. In 1996 Ernst & Young was losing 22% of its women professionals annually and was spending $150,000 per job
to hire and train replacements who tended most often to be men. Further, clients were forced to see different faces all the time. Reducing turnover was seen as a way to create a competitive advantage in the industry.

About half of each new recruiting class at Ernst & Young was female. However in 1996 only 5% Ernst & Young’s 2,760 partners were female. The industry standard of 8% was not very high either, but was significantly higher than the partners reflected at Ernst & Young.

Step 2: Setting objectives at Ernst & Young. To remain competitive within the Big Four Accounting firms Ernst & Young decided it needed to meet or exceed the industry standard for having female partners. An underlying and related issue of high female turnover led the company to set the objective of reducing turnover among women.

Step 3: Selecting Training Method at Ernst & Young. Chairman, Philip Laskawy, went outside the firm and hired Deborah Holmes, a Harvard-educated former corporate lawyer and consultant. Holmes conducted focus groups of 15 to 20 Ernst & Young employees. She found that while only a few women knew what it took to make partner, most men did know. She discovered that the very few women who had made partner had all aggressively sought out mentoring from men. This finding led Holmes to introduce a mentoring program.

Sometimes the solutions to issues identified in a needs analysis are not accomplished primarily by training. The turnover problem needed to be addressed directly through policies and only secondarily through the training effort. Ernst & Young launched “client triage,” where partners explicitly consider demands on their staffers and costs of potential employee turnover in assessing client profitability. This policy requires that they work with customers before projects begin to develop clear mutual expectations about the staffing requirements. A “utilization committee,” composed of employees at all levels, meets regularly to reconcile client demands with staffers’ personal needs. While the mentor model of the 1980s emphasized a more experienced adult passing on knowledge to a less experienced adult, today the mentor functions as a learning facilitator rather than an authority figure (Zachary, 2009). Furthermore, critical reflection and self-directed learning play an important part. Ground rules and confidentiality safeguards were established as well as how obstacles and stumbling blocks would be addressed.

Step 4: Conducting training at Ernst & Young. They followed a best practice in training by first launching a pilot mentoring program for women in just one region. Once it appeared successful this program was then rolled out nationwide. There are two tracks: one program for women with more than five years’ experience, and one for women with less.

Ernst & Young’s best practices include: 1) not forcing anyone to become a mentor, instead they volunteer their time. When you force someone to be a mentor, says Holmes, “You get a crummy mentor.” 2) Your boss cannot become your mentor, otherwise certain crucial subjects can’t be discussed. 3) Protégés typically choose their mentors. 4) At confidential mentoring meetings any topic is fair game: career, problems with managers, work-life balance, etc. 5) Mentors introduce protégés to other learning facilitators and to senior leaders when appropriate (Boyle, 2005).

Step 5: Evaluating training at Ernst & Young. There are excellent training metrics in this illustration which line up well with the two objectives set by Ernst & Young. In 1996, women made up 7% of Ernst & Young’s partners, principals and directors. That number rose to 15% in 2002. The promotion rate for women at the partner level more than doubled, from 12% to 25%, in that period (Raghunathan, 2003). The percentage of women partners had risen to 13% by 2005. (In 2004 competitors Deloitte & Touche had 16.3%, KPMG had 13%, and PricewaterhouseCoopers had 12.7% women partners (McGregor, 2004)). The overall retention
rate for Ernst & Young started improving in the first year after the changes. Better retention of women in the last several years is calculated to be saving the firm $10 million annually.

Over the last five years, the Big Four accounting firms have made changes aimed at keeping more of their highly skilled staff ---- mentoring programs, reduced work hours, advisory councils, women's networks. In statistics comparable to those at Ernst & Young, Deloitte & Touche says the gender gap in turnover has been eliminated and the overall turnover has dropped by more than 10 percent. These initiatives have landed the Big Four - Ernst & Young, PriceWaterhouseCoopers, KPMG and Deloitte & Touche -- on the Working Mother magazine list of 100 Best Companies for Working Mothers (Goodman, 2005).

This intrusion of new needs illustrates the ever changing landscape within the training and learning environment. The final step of training evaluation is not really a final step at all. Rather, it serves as part of the needs analysis in the next iteration of training design and planning. This makes the Ernst & Young an excellent example at all stages of the learning and development systems model.

REFERENCES


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