

News

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Use of Video Game Technology in the Workplace Increasing

Seventy percent of major employers utilize interactive software and games to train employees according to a new study released today by the Entertainment Software Association (ESA). The study data also showed that more than 75 percent of businesses and non-profits already offering video game-based training plan to expand their usage in the next three to five years. And more than three-quarters (78 percent) of organizations not utilizing this technology today are likely to offer it in the next five years.

“Businesses across the spectrum, from automobile manufacturers to financial service providers, are utilizing entertainment software to help educate their employees to better serve their customers and improve their bottom lines,” said Michael D. Gallagher, CEO of the ESA, the U.S. association representing computer and video game publishers. “Interactive technology is a valuable tool in workforce development and this study underscores the fact that video games have become a mass medium helping Americans live, work and of course play.”

The top uses of video game-based training by major American employers include: compliance training; training for specific job functions; IT training; management training and customer service training. Seventy-seven percent of these training programs tested employee knowledge and 55 percent included interactive role playing.

The survey found a vast majority of organizations offering video game-based training were satisfied with the results and sophistication of the training. Respondents said the biggest advantages of video game-based training are

- § a reduction in costs
- § more efficient and faster training
- § the ability to apply consistent training across all parts of an organization
- § the ease of measuring employee participation
- § better information retention.

Managers of three in four companies also said their employees like video game-based training more or the same as traditional training and their employees found the convenience and ability to learn at their own speed particularly

attractive.

"The demand for training games is definitely rising as managers look for new ways to train their employees that are both effective and more compelling than the standard eLearning fare," said Marc Prensky, founder of Games2train, a company created in 1999 to serve the growing demand for corporate game-based training. "In my experience, computer, video and, increasingly, cell phone based training games are more successful than traditional training methods, because employees find them more engaging, thereby increasing the likelihood of completion of the training and retention of the required information and concepts. In addition, simulation-based games allow employees to learn and practice needed physical and mental skills, and thus be more effective when they get on the job."

Games2train (www.games2train.com) created more than 50 software games for companies such as American Express, Bank of America, Charles Schwab & Co., Estée Lauder Companies, Inc., JP Morgan Chase & Co., Nokia Corporation and Pfizer Inc., as well as training games for the US military.

Canon U.S.A., for example, uses a video game to train new copier technicians. To play, technicians must drag and drop parts into the right spot on a virtual copier. IBM developed "Innov8," a role playing game that is said to teach graduate students a combination of business and IT skills. The Hilton Garden Inn, meanwhile, introduced the first training game for the hospitality industry, which places employees in a virtual hotel, interfacing with customers and fielding typical guest requests.

The national poll, conducted for the ESA by KRC Research, surveyed the management of 150 large U.S. companies and non-profits between March 17 and April 2, 2008.

OutStart and Eedo Knowledgeware Merge

OutStart and Eedo Knowledgeware Corporation have combined their operations. The merged company, conducting business as OutStart, will use its vision and financial strength to serve the LCMS and learning market, while aggressively supporting the emerging need for a business social software platform to enable effective informal knowledge sharing.

"This merger is an exceptionally positive event for all of our customers and the market," said John Hudson, president of OutStart. "The product portfolios are highly complementary. We now can offer the two leading LCMS solutions that span the complete spectrum of requirements from blended learning through single sourcing to high-impact e-learning. Together we can fully meet our customers' needs to build, manage and transfer knowledge across the enterprise."

"Our top priority is to ensure that our customers receive even greater support, innovations and products as we go forward as one company," said Massood Zarrabian, CEO of OutStart. "As we have in the past, we will move quickly to integrate our portfolio of products. For example, we are already in the process of developing the integration between Force Ten and Participate to further support informal learning, expertise exchange and collaboration in the ForceTen environment."

"As electronic content has proliferated in corporations, learning content management has become more and more critical to corporate learning and HR managers," said Josh Bersin, president of Bersin & Associates, an analyst and advisory firm in corporate learning and talent management. "This merger creates an industry leader in learning content management, providing HR and learning organizations a single solution provider, which can offer a broad and proven set of content management and social networking tools to help manage the tremendous amount of learning content in businesses today."

The combined company has more than 300 customers, including many of the world's best-known commercial, government, and defense organizations; a strong global base with close to 40 percent of its business coming from international clients; and solid finances with 50 percent of its revenue coming from recurring business. The company will make its headquarters in Boston and maintain offices in the United States, Canada, England, Germany, Ireland, and the Netherlands.

Gartner Releases Magic Quadrant Update

Analyst firm recently released an update to its "Magic Quadrant for Corporate Learning Systems (CLS)," which evaluated 14 vendors in the corporate learning systems market. The Gartner Magic Quadrant represents Gartner's judgment of vendors' ability to execute and the completeness of their vision in a technology market. Gartner identifies Leaders as those vendors who "must not only meet the market's current requirements, which are continually changing, but also anticipate future requirements. Also fundamental is the ability to articulate how they will address these requirements as part of a vision for an expanded CLS. In addition, Leaders have a proven track record of financial performance and an established market presence. Vendors listed as leaders in the Magic Quadrant include Cornerstone OnDemand, Plateau Systems, Saba, and SumTotal Systems.

In addition to analyzing leading vendors, Gartner provides a general market overview. According to the report, volatility in the CLS market has subsided, but consolidation is expected to continue through 2010. In addition, Gartner reports that "CLS products are themselves consolidating more and more functions into a learning architecture. Mixing multiple products with services has long been the only way to meet a full range of enterprise requirements, and vendors often team up to provide the necessary scope. However, following some key acquisitions in recent years, the major learning management systems (LMSs) vendors now integrate learning content management systems (LCMSs), analytics, and employee performance management into more holistic CLSs. That said, there are still no products available that 'do it all.'"

The report contends that the interoperability of components within CLSs and the integration of these systems with other mission-critical applications will dominate the learning technology agenda for the next two years, particularly as companies adopt an enterprise-wide approach to learning and as demand for Web 2.0 features that support social learning grows.

The Magic Quadrant is copyrighted 2008 by Gartner, Inc.

Volunteerism: The Hidden Classroom

The July issue of *T+D* reports that volunteerism offers great potential for development. Unfortunately, few organizations take advantage of this hidden classroom, according to a recent survey.

New York-based consulting agency Deloitte asked leaders of human resources departments at Fortune 500 companies about their perspective regarding volunteerism as a training tool. While a majority of organizations acknowledged increasing demand to maintain the same level of training with the same or a reduced budget, very few identified volunteering as a potential source for building skills.

When asked how often they encourage employees to contribute to a not-for-profit, only 25 percent of organizations said they always or frequently do so. Yet 90 percent of respondents either strongly or somewhat agree that contributing work

to a not-for-profit can develop leadership skills.

“It’s a missed opportunity in the learning and development field,” says Susan Burnett, national director of talent development at Deloitte Services. “When we asked people about volunteerism in the survey, they all agreed it was a good idea, but nobody’s doing anything about it. They have no strategy to do it.” When participants were asked whether working with a not-for-profit organization was considered as an option for skill development, 43 percent said rarely or never. Only 15 percent said always or frequently.

For Deloitte, one opportunity is to prepare tax returns for individuals or entities who cannot afford to pay for the services. Other programs have little to do with tax statements. The agency recently organized an “alternative spring break” for college students who helped rebuild homes in areas damaged by Hurricane Katrina. The company is planning to offer more such opportunities that can be made available as ongoing development initiatives instead of single programs.

While learning professionals may not fully realize it, volunteerism encompasses all of the elements of learning, including teamwork, motivating others, and problem solving, according to Burnett. It can be designed as an action learning initiative. At the conclusion of the work, an evaluation can be conducted, with the volunteer organization grading the performance of the participants.

Volunteer programs are especially appealing to Generation Y individuals who are seeking to make a social contribution beyond the workday. “We hire a lot of college graduates, and they are more interested in the outside world than their predecessors,” Burnett says. “They want it to be relevant to their career and their outside interests.”

What Really Works When It Comes to Coaching Employees

At one point, having a coach carried a stigma because it was more frequently directed at problem employees. Today, it’s more likely to be a sign that the employee is on the fast track and that the organization is serious about raising performance levels and developing talent. That’s according to an extensive global study commissioned by American Management Association (AMA) and conducted by the Institute for Corporate Productivity.

Coaching: A Global Study of Successful Practices is based on a survey that included responses from 1,030 managers and executives across a wide range of functional areas. The survey was conducted using AMA’s global network, including Canadian Management Centre in Toronto, Management Centre Europe in Brussels, and AMA’s partners and affiliates in Mexico City, Tokyo, Shanghai, Beijing, and Istanbul and in many other cities around the world.

When asked about the groups that their organizations coach, 60 percent of respondents said the coaching involved high potential employees to a high or very high extent, and 42 percent said the same about executives. By contrast, 37 percent said they coach problem employees to such a high extent.

The study defined coaching as “a short- to medium-term relationship between a manager or senior leader and a consultant (internal or external) with the purpose of improving work performance” (Douglas & McCauley, 1999). And this study showed that coaching is indeed linked to improved performance, both at the individual and organizational levels.

“Executive coaching has become one of the tools to achieve effective leadership in today’s vastly changing corporate culture. As we increasingly learn how to measure executive coaching, we will find that we manage its role in leadership development better,” said Edward T. Reilly, president and CEO of American Management Association. “In going

forward, what we have learned from this study will pave the way to a clearer understanding of the possibilities of executive coaching and practice. Change will need to come quickly given the vacancies in top management that are likely to occur due to retirement of the baby boomer generation,” Reilly said.

Respondents from organizations that use coaching more now than in the past are more likely to report two kinds of advantages. First, they are more likely to state that their organizations have higher levels of success in the area of coaching. Second, they are more likely to say that their organizations are performing well in the market, as determined by self-reports in the combined areas of revenue growth, market share, profitability, and customer satisfaction.

“There’s been skepticism about executive coaching in recent years. In some cases, it’s been warranted. Coaching for coaching’s sake is probably worthless. But this study suggests that—when it’s done right—coaching can raise both individual and organizational performance,” said Jay Jamrog, senior vice president of research of the Institute for Corporate Productivity.

The study found that raising individual levels of performance is the number one reason for using coaching and that using coaching for this purpose is highly correlated with the success of coaching programs.

But there are many ways of designing and implementing coaching programs and not all are equally effective, the study found. For one, sending potential coaches to external development programs was more strongly correlated with overall coaching success than more internally focused methods. Yet, those external programs were less commonly used, suggesting that strong consideration needs to be given to using external coaching programs to enhance internal results.

The study also found that clarity of purpose counts. The more a company has a clear reason for using a coach, the more likely that its coaching process will be viewed as successful. Add measurement into the mix and you have a winning formula. The research indicates that the more frequently respondents reported using a measurement method to gauge coaching effectiveness, the more likely they were to report success in their coaching programs. The measurement methods that were most strongly linked to success are individual increases in productivity, impact on engagement, satisfaction with the program, and bottom-line results on the business.

Survey participants were asked to what extent their organizations used certain criteria to match coaches with coachees. By far, the most frequent basis for matching was the area of the coach’s expertise. Almost three-quarters of respondents (74 percent) said matching decisions were—either frequently or a great deal—based on finding a coach with the right expertise to address specific issues.

Matching the right expertise with the right client is associated with higher success rates. The study also shows that it pays to interview coaches. Surprisingly, when asked about the criteria they used to select coaches, only 54 percent say they interview potential coaches frequently or a great deal. Yet, this basic step is more correlated with reported success of coaching than any other selection strategy. Both time and money are wasted when organizations fail to invest time up front matching clients with coaches.

Another coaching best practice is to know when to use an internal versus external coach. The research indicates that external coaches are hired most often to work with executives. External coaches are significantly less likely to work with managers or supervisors. On the other hand, internal coaches are almost equally likely to work with managers as they are supervisors. Internal coaches are significantly less likely to work with executives. Additionally, while internal coaches were assumed to coach employees at all levels of the organization (43 percent), very few respondents (5 percent) said

that external coaches coach employees at all levels to any great extent.

The study also indicates that using internal coaches to coach managers or executives is not correlated with coaching success. It appears that using external coaches for those groups is more effective and perhaps confirms that the higher cost of using an external coach may be well worth it.

The study found that providing coaching to expatriates is associated with success and improved market performance. Yet, few companies report that they offer coaching to this segment of their employees, suggesting that there's an opportunity for competitive advantage here.

The study also found that there's room for improvement in various areas related to coaching. For example, only about a third of respondents (32 percent) considered peer coaching (in which each participant acts as both coach and coachee to a partner within the organization to improve growth and development) to be very effective or extremely effective. That finding indicates that most organizations have yet to determine how to reap maximum benefit from their peer-coaching programs.

In general, the researchers believe that coaching remains an untapped opportunity for many organizations. Only about half of responding North American companies said they have coaching programs in place, and the same was true for just 55 percent of respondents in the international sample. This suggests that there's considerable room for coaching to expand and mature, becoming a critical variable in developing and retaining scarce talent in the future. Companies that learn to leverage coaching and build their programs on what works will have a significant competitive advantage in the global marketplace.

The complete report, *Coaching: A Global Study of Successful Practices*, is available at <http://www.amanet.org/research/index.htm>.

Bersin Study Identifies High-Impact Learning Processes

In its recent study, *The High-Impact Learning Organization*, Bersin & Associates examines and discusses the learning strategies and processes that drive the greatest levels of business impact. Of the top 18 learning processes that drive greatest business impact, the development of a strong learning culture tops the list.

Based on the study of more than 750 organizations, this research study examines trends, best practices, and strategic solutions in today's modern training organization. It focuses in particular on the specific processes and strategies that drive high levels of efficiency and business impact.

18 High Impact Learning Dimensions

	Relative Improvement in Business Impact	Correlation to Business Impact	Impact Area
1. Organization's Learning Culture	30%	Very High	C
2. Learning Integrated with Performance Management	30%	Very High	TM
3. Strong centralized L&D organization	9%	Very High	OG
4. Expertise in Career Development Programs	29%	Very High	TM
5. Ability to share and reuse content	29%	High	CD
6. Ability to blend e-learning with other forms of training	29%	High	CD
7. Expertise in collaborative learning strategies and programs	28%	High	CD
8. Expertise in performance consulting	28%	High	CD
9. Expertise in coaching	27%	High	TM
10. Creating and enforcing content development standards	26%	High	CD
11. Ability to build high-impact e-learning and learning On-Demand	25%	High	CD
12. Ability to globalize learning programs and operations	24%	Medium	OG
13. Building a business plan for learning	19%	Medium	OG
14. Strong business-driven steering committee and governance	17%	Medium	OG
15. Adoption of performance and development management	12%	Medium	TM
16. Business-driven Chief Learning Officer	13%	Medium	OG
17. Have a well-functioning LMS	15%	Low	T
18. More than 80% of the organization uses the LMS	18%	Low	T

C Culture
 CD Content Development
 OG Organization & Governance
 T Technology
 TM Talent Management

Additional findings include

- The integration of learning with performance management and the recentralization of learning operations are now essential best practices for business impact.
- Money is important but not the ultimate determinant in achieving business impact. Organizations with average or

even below-average budgets can generate two- to three-times greater return through more rigorous organization design, governance, and operations.

- The disciplines and strategies for high-impact corporate learning have changed. Today's modern training must focus on building expertise in information architecture, strategic competencies, content management, organizational culture, and end-to-end talent management.

The High-Impact Learning Organization is available to Bersin & Associates research members. Non-members can purchase the study for \$1,595. Learn more at <http://www.bersin.com/Store/Details.aspx?docid=10335296>.

June 23, 2008

SCORM 2.0: LETSI Announces a Call for Participation

Learning Education Training Systems Interoperability (LETSI), the international, nonprofit federation dedicated to improving individual and organizational learning, has taken on the task of developing the next generation of SCORM, the Sharable Content Object Reference Model. As part of this initiative, LETSI is soliciting white papers from all stakeholders interested in shaping the future direction of SCORM and the implementation of learning systems technology.

The open solicitation was announced 28 May 2008 at the SCORM Technical Working Group meeting, hosted by the Advanced Distributed Learning Initiative in Alexandria, Virginia. The deadline for submission is 15 August 2008.

LETSI's goal is to advance innovation and adoption of learning technology across all market sectors and to support the use of open software standards in learning technology. SCORM 2.0 will include specifications and standards created and managed using open, transparent processes that are not encumbered by patents, licenses or restrictions that would impinge on its availability to the global LET community. LETSI will create an open source software community to support SCORM adopters and product developers. LETSI itself does not develop the component standards that go into SCORM.

"Given the demands for harmonization across international technical learning standards, Core SCORM will be based on unencumbered open standards to maximize market growth and global adoption and implementation," says Paul Jesukiewicz, deputy director of the Advanced Distributed Learning Initiative.

The U.S. Advanced Distributed Learning Initiative (ADL), which has been the advocate and steward of the first ten years of SCORM's development, will continue to support the SCORM community and will maintain the current version, SCORM 2004. LETSI was formed by the ADL and eleven other organizations to provide an international, balanced, open forum for SCORM development and to harmonize activity across the diverse communities that are investing in learning technology: public education, higher education, for-profit education, military training, professional development/certification, corporate training, and on-the-job performance support.

To accommodate these diverse market needs, SCORM 2.0 will have two components:

1) A general reference model, Core SCORM, based on widely adopted, accredited learning technology standards that support basic interoperability.

2) Additional components that support broadly applicable LET functionality and instructional capabilities based on

specifications that are not yet standards.

SCORM 2.0 will have a modular, extensible architecture that will allow specific communities of practice to adapt and extend the model with functionality and innovations that are important for their particular situation (e.g., a new medical simulation standard or aviation-industry specific metadata). LETSI will play the leadership role in publicizing such extensions and will consider them for future inclusion in SCORM.

For more information about the white paper solicitation and the SCORM 2.0 Workshop, visit www.letsj.org/SCORM2.

ASTD Presents its Excellence in Practice Awards

During its 2008 International Conference & Exposition held in San Diego, California, the American Society for Training & Development (ASTD) presented the Excellence in Practice Awards and Citations to 35 organizations from 11 countries: Argentina, Canada, China, France, Germany, India, Netherlands, Taiwan, Thailand, Turkey, and the United States.

The ASTD Excellence in Practice Awards program recognizes organizations for results achieved through learning and performance practices and solutions. From 97 submissions, 12 awards and 31 citations were given in seven categories: career development, learning technologies, managing change, organizational learning, performance improvement, training management, and workplace learning and development.

“The winning organizations advance the knowledge of the workplace learning and performance profession and contribute to increasing workforce capability and organizational competitiveness,” notes Tony Bingham, ASTD President and CEO. “Their accomplishments demonstrate how learning increases the performance and success of organizations worldwide.”

The Excellence in Practice Awards are presented to those organizations with proven practices that have delivered measurable results in achieving organizational goals. The 12 organizations selected to receive the Excellence in Practice Awards are

- Allied Barton Security Services
- Catholic Healthcare Partners and Center for Creative Leadership
- DIRECTV
- Farmers Insurance Group - University of Farmers
- Global Bilgi
- Infosys BPO
- InterContinental Hotels Group and The Forum Corporation
- KPMG, and NxLevel Solutions, and PIXELearning
- MaineGeneral Health and Vital Smarts
- Reliance Industries Limited, Patalganga Manufacturing Division
- SumTotal Systems
- Tao Heung Group.

ASTD is accepting applications for next year's Awards through September 22, 2008. For more information go to, www.astd.org/ASTD/aboutus/AwardsandBestPractices/excellenceInPracticeAwards.

Remote Control

The June issue of *T+D* reports that while it may be true that absence can make the heart grow fonder, but it can also make workers more nervous. In a recent survey of 492 workers and 150 senior executives conducted by OfficeTeam, majorities in both segments think operations run better when everyone on the team is under the same roof.

When asked if they believe their jobs would be easier or more difficult if they were reporting to a manager "who didn't work in the same location," 27 percent of workers believe it would be "much more difficult," and 21 percent think it would be "somewhat more difficult." Maintaining communication and connectedness is at the center of these concerns. Dave Willmer, executive director of OfficeTeam staffing service in Menlo Park, California, acknowledges the complexities that remote teams introduce. "Technological advances and global expansion have made it more common and acceptable for people to work remotely. In some cases, it's hard to avoid," Willmer says.

When executives were asked whether it was important for all members of their departments to be working from the same location, 58 percent expressed that it is at least somewhat important to them. "Managers recognize that it's often easier to have a team operating under one roof because it alleviates communication challenges and builds camaraderie," Willmer says.

From the workers' perspective, although nearly half prefer their bosses to be on site with some regularity, one quarter were ambivalent, stating that their work would be neither easier nor more difficult should their managers work off site. Willmer notes that the reason for this may be that many workers have jobs that provide significant autonomy.

As remote work programs become increasingly prevalent, whether employees are comfortable with them or not, extra effort is the key to keeping workplace communication strong on all fronts. "Some executives are starting to see the benefit of assembling project teams across offices and even time zones," Willmer states. "Although telecommuting is becoming more widespread, both employees and managers understand remote work teams can pose significant challenges."

From a training perspective, he notes that staff may benefit from communication courses offering an overview of how to use communication tools when team members are spread across multiple locations. Other tips to limit uneasiness include providing frequent updates to supervisors, using the telephone rather than email, highlighting achievements to garner recognition, and setting up face-to-face meetings whenever possible. Voicing communication preferences from the outset is another safeguard against becoming disconnected. And given the variety of preferences regarding remote work and its effects in the workplace, moving toward off-site team arrangements should not be approached lightly.

"Managers and staff should carefully consider whether to work remotely, since this work arrangement can impact communication and make regular interaction more difficult," Willmer says.

--Juana Llorens is managing editor of T+D..

New Community Dedicated to Knowledge Work

With the growth of new technologies, explosion of new information, and accessibility of experts around the world, there's a growing gap between the work practices and skills that most knowledge workers possess and the resources available to them. Many argue that the information is coming at the community too fast for it to continue to acquire knowledge in an ad hoc fashion. Workplace learning professionals need something to help them make sense of all that is happening that changes how we do our knowledge work. Enter Work Literacy, a new, open community dedicated to establishing a common framework that can be used to provide practical advice to knowledge workers that is linked to what they do day-to-day.

Work Literacy is a network of individuals, companies, and organizations who are interested in learning, defining, mentoring, teaching, and consulting on the frameworks, skills, methods, and tools of modern knowledge work. Its goal is to create a vibrant network interested in participating in a variety of ways: learners, testers, experts, teachers, coaches, and many others. The network is intentionally defined in a way that will allow it to emerge over time, but there are some very [interesting people involved](#) already, including *Learning Circuits* contributors Tony Karrer and Harold Jarcho.

Work Literacy welcomes learning professionals who want to lead their organizations forward to participate in the dialogue. To learn more, go to www.workliteracy.com.

Learning Tree to Explore Possible Sale of Company

Learning Tree International recently announced that a special committee of its independent directors has decided to solicit offers to purchase the company.

"For over 33 years, Learning Tree has taken the lead in providing the highest quality, vendor-independent education and training for managers and IT professionals worldwide," commented Learning Tree President and CEO Nicholas R. Schacht. "In the past year we achieved significant improvements in profitability and revenue, further enhancing our already strong financial position. We believe this is an appropriate time to solicit offers to determine if a sale is the best way to maximize shareholder value. A sale would also address the desires of our two founders, who remain our principal shareholders, for diversification and liquidity to accommodate their charitable interests."

"As we proceed with this process, we will continue to provide our customers with the same high levels of service and results for which we are known," Schacht concluded.

Learning Tree has retained RBC Capital Markets, a subsidiary of the Royal Bank of Canada, as its financial advisor and Manatt, Phelps & Phillips, LLP as its legal advisor. Learning Tree has not ruled out either continuing as a stand-alone company or pursuing some other strategic alternative. Learning Tree does not plan to release additional information about the status of this process until a definitive agreement is executed or Learning Tree otherwise determines that further disclosure is appropriate.

May 12, 2008

Consider Computer Games as Training, Say Congressional Researchers

With the military and other agencies training and recruiting via computer games and virtual spaces, congressional

researchers urged legislators to get involved.

In April, the Congressional Research Service released “Avatars, Virtual Reality Technology and the U.S. Military: Emerging Policy Issues,” a brief review of how 3-D online simulated training venues are emerging as complements and even replacements for the large, immobile simulators the armed services traditionally use. The report also pointed out that the virtual reality tools allow many users to train together relatively cheaply, in some cases with only laptop computers connected to the Internet, thus providing access to agencies that could not afford to use simulators.

Virtual reality training lets users repeat missions, practice emergency scenarios without risk of injury, and simulate the use of expensive, heavy equipment without fuel or maintenance costs. CRS suggested that virtual worlds could be used as battlefields and touched on the Defense Department’s plan to model the world in real time via its Sentient Worldwide Simulation.

The report raised several issues for lawmakers to consider as they assess virtual reality simulation. For example, the U. S. communications infrastructure is old and limited in comparison to that of Asian countries, whose advanced equipment and networks could allow them to set the global standard for virtual world technology.

CRS also raised the question of whether the military should plan to conduct warfare in virtual reality. The report recommended that legislators closely consider the cost effectiveness of virtual military training.

For more information, read the report at <http://www.fas.org/sgp/crs/natsec/RS22857.pdf>.

Elastic Training Dollars

Senior associate editor Michael Laff reports in the May issue of *T+D* that training departments are feeling a financial squeeze. As executives continue to demand more from learning professionals without increasing their budgets, training is quickly becoming an exercise in financial gymnastics.

A recent study by Expertus and TrainingIndustry.com titled “Training Efficiency: Optimizing Costs” broached all of the tough, headacheinducing issues about training, such as budgeting and how training effectiveness is measured. More than three-quarters of respondents reported some kind of pressure to reduce costs. Training leaders are being asked to do more with the same budget—by far the greatest demand on the department. Despite being asked to do more with less, few training leaders reported that their budgets were cut substantially.

“There is ongoing pressure from executives who want more for their dollars,” says Doug Harward, CEO of Training Industry. “Training is highly visible and highly transactional, so it’s an easy discretionary fund for executives to cut.”

While learning professionals emphasize the necessity of using financial measures to gauge the value of training, few organizations report using sophisticated methods other than Kirkpatrick’s levels and volume participation surveys. Return-on-investment metrics are used by only 20 percent of respondents. The low rate for ROI may reflect the types of training now in place.

“Most training professionals are not going beyond Kirkpatrick,” Harward says. “They are still using volume-based metrics as opposed to value-based metrics. That may be because of the nature of the training. Leadership training is difficult to measure in terms of quality.”

“Organizations need to be realistic about what you can do,” says Gordon Johnson, vice president of marketing for Expertus. “You can do ROI on sales training and manufacturing, but if sales performance goes down, do you blame training?” He adds that a lot of training is being devoted to leadership and other soft skills that are difficult to track in terms of concrete measurements.

One eye-opening result was the breakdown of dollars allocated in the training budget. Delivery accounted for 35 percent, followed by content development at 26 percent, administration at 24 percent, and technology at 16 percent. “Only spending 35 percent on delivery is kind of scary,” says Johnson. “If the figure is compared to a humanitarian or nonprofit organization delivering food to the poor, that would be unacceptable. So much is being spent on things that don’t teach anybody anything.”

Another weakness is the website used by the organization. Typically, it is a knowledge repository, but it is often lacking in terms of providing information to potential users. If the training website is effective, the department will receive fewer telephone inquiries, and participation rates will rise. The training staff needs to do a better job of using the website to market training programs.

Training design is another notable weakness in spreading training throughout an organization. A typical failing inside organizations occurs when a line manager insists on offering a particular brand of training for a wide audience. Employees who don’t recognize the need for the same training often push back, and as a result, participation rates fall.

Harvard suggests that organizations create training that is specific to their needs. Most organizations simply roll out a cafeteria-style curriculum, with general offerings. Even in a business environment, too many e-learning and training programs resemble the academic model whereby students are offered a choice of courses and they must take the ones they want based on availability, not need.

“There is still a supply-oriented approach to training,” Harvard says. “Too much is being spent to create courses for an audience and then a determination is made upon its value based on how many people sign up. It’s a very common business model, but it’s ineffective and inefficient.”

Chief Blogging Officer Taking Off

According to a recent article on Workforce.com, the title Chief Blogging Officer is beginning to hit its stride. The article, “Chief Blogging Officer Title Catching On with Corporations” reports that just more than 11 percent of Fortune 500 companies have corporate blogs, according to SocialText, and only a handful have a designated chief blogger. And the number of corporate blogs has risen slowly since 2005, when just 4 percent had any kind of blog. Companies such as Coca-Cola, Marriott and Kodak have recently recruited chief bloggers, with or without the actual title, to tell their stories and engage consumers.

The article contends, “While the title of chief blogger is seductive, analysts and industry insiders said the title shouldn’t be the focus. What’s essential is the brand voice, whether it comes from one chief blogger (such as vice chairman Bob Lutz on General Motors’ FastLane Blog or CEO Jonathan Schwartz on Sun Microsystems’ Jonathan’s Blog) or a group working together, such as those on Southwest and Wal-Mart’s blogs.”

To read more, go to <http://www.workforce.com/section/00/article/25/50/77.html>.

Productive Partnerships Flourish

Recognizing that regional economies are hotbeds for innovation and growth, the U.S. Department of Labor launched its Workforce Innovations in Regional Economic Development (WIRED) initiative in 2005. Throughout the last three years, the department awarded more than \$300 million in grants to regional consortiums in support of long-term talent development and lifelong learning activities. Colleges and universities played a vital role in many of these initiatives.

The Department of Labor and the Council on Competitiveness recently partnered to produce a new report titled, "Cooperate: A Practitioner's Guide for Effective Alignment of Regional Development and Higher Education." The report provides case studies for engaging higher education in workforce and economic development partnerships.

One example of a successful partnership mentioned in the report is in the Rio Grande Valley of southern Texas, where a consortium of six colleges has joined with manufacturing employers and other stakeholders in a project called the North American Advanced Manufacturing Research and Education Initiative.

Using a \$5 million workforce grant received in 2007, and leveraging a \$3 million training grant from the state of Texas, the partnership is developing a research and training strategy around "rapid response" manufacturing.

Wanda Garza, executive officer for the project, says the goal is to create 25,000 advanced manufacturing jobs in the seven counties cooperating in the initiative. The higher education partners have worked with 24 employers to train 1,600 new and incumbent workers since January 2007. Developing a skilled workforce is a key component of the initiative. "Everyone agreed that talent would drive everything," she says. "Talent development is the cornerstone."

Employers contribute by planning and overseeing the training while the colleges focus on designing and delivering instruction. Garza believes the partnership allows each institution to focus on its strengths. "When you're trying to wear both hats, it's just not as effective as when the employer is driving it," she says. A copy of the report is available at www.compete.org.

Kermit Kaleba is senior policy specialist for ASTD.

Training Initiatives Failing, Says Report

LearningGuide Solutions' white paper, "Ensuring Project Success: Building a Business Case for Performance Solutions," LearningGuide Solutions' white paper, "Ensuring Project Success: Building a Business Case for Performance Solutions," reports that many training initiatives are failing to improve performance, as employees are struggling to retain the information presented.

"The primary reason why training programs fall short in reaching their intended goal is that employees struggle to retain newly acquired information over an extended period of time," writes Greg Driscoll, president of LearningGuide Solutions.

"Current research clearly documents that in as little as three weeks following a training event, an employee's ability to recall and apply new knowledge or skills is less than 20 percent. Stated differently, employees will lose more than 80 percent of the information they were provided in a training program."

According to the white paper, only 53 percent of the employees surveyed were satisfied with their companies' training and support systems, due to information overload. The paper also addresses how performance support would have an impact on employee productivity and knowledge, resulting in tangible business results.

“Companies must rethink their approach to training, learning and performance,” Driscoll said. “Performance support is a critical part of the learning process, as it can integrate and extend a company’s current training, information and knowledge assets.”

April 14, 2008

Open Source ERP Reaches 10% of College Campuses

eLearn Magazine writes that open source software seems to be gaining in popularity, with Alexa Web traffic data showing Moodle’s web traffic in second place among LMS providers, trailing Blackboard. Examples of other open source LMS options include Sakai, Tutor, Claroline, and OLAT.

The Campus Computing Project conducted by EDUCAUSE in 2007 interviewed CIOs and other senior campus officials from 555 institutions on the usage of open source software. The survey found that non backend open source software such as those that belong to the Enterprise Resource Planning (ERP) category had a less than 30 percent usage rate because. Nonetheless, the acceptance rates for Sakai and Moodle are growing according to the same report. Data from 2007 suggests that 10 percent of campuses have standardized on an open-source ERP application, with upwards of 20 percent in private four-year colleges, where Moodle is the favorite open source option. UCLA has previously announced that it planned to fully migrate to Moodle by fall 2008 and could serve as an example for other universities that wish to migrate.

In a study conducted last year by the Mellon Foundation, cost, performance, and control are the three major concerns users have about commercial software, while legal issues and liability are what worry users in terms of open source. While some believe that tight budgets on college campuses might drive the popularity of open source, Kenneth Green, director of Campus Computing Project, observes that open source is not free due to support costs. Shahron Williams von Rooij, an assistant professor at George Mason University, has not seen any hard data demonstrating cost-saving benefits to open source in the two surveys she has conducted, encompassing 772 chief information officers and chief academic officers.

Preliminary Ruling Rejects Blackboard's Patent

The Chronicle of Higher Education reports that in late March, the U.S. Patent and Trademark Office issued a preliminary decision that rejects all 44 claims Blackboard Inc. made regarding the controversial patent it was granted for an online-learning system. If upheld, the decision could have sweeping ramifications for Blackboard's competitors and universities that use course-management software. The "nonfinal" decision was made public on March 31, and both sides will have a chance to comment before a final order is issued. Blackboard can also appeal the final decision.

A federal jury in Lufkin, Texas, awarded Blackboard \$3.1-million after rejecting Desire2Learn's position that the patent was invalid ([The Chronicle](#), March 7, 2008), and the judge in that case later issued an order banning Desire2Learn from selling its course-management software in the United States, pending a 60-day stay ([The Chronicle](#), March 12).

At that time, Desire2Learn appealed the jury's decision, and the company's president said he was optimistic that the verdict would be overturned. "Our hope is that at the end of the day, we don't have to pay Blackboard anything," John

Baker, president and chief executive of Desire2Learn, said in an interview on Friday.

Desire2Learn, which is based in Kitchener, Ontario, posted [a copy](#) of the patent office's action on its blog. "We're thrilled that the patent office rejected all 44 claims of Blackboard's patent," Mr. Baker said. "It's great to finally be on the offensive instead of the defensive."

The Canadian company recently released an updated version of its education software that Mr. Baker said does not infringe the disputed patent. Meanwhile, Blackboard officials expressed confidence that the patent office's procedure would only serve to strengthen its patent claim.

For more, go to <http://chronicle.com/free/2008/03/2306n.htm>.

Online Providers Slapped with Patent Lawsuits

A company called Digital-Vending Services International (DVSI) filed suit in federal court (East District of Texas) against Capella Education Co., Apollo Group Inc., and Laureate Education Inc., alleging violation of a patent held by Washington-based Community Learning and Information Network Inc., which develops distance learning tools that, according to *Bloomberg News*, include work for the federal government. DVSI is charged with licensing the patents that, again according to *Bloomberg*, relate to the management of online coursework. DVSI is seeking a court order that would block use of its inventions, plus cash compensation.

Signal Hill analysts report in a recent issue of *Education Signals* that "the case is reminiscent of similar charges brought by Acacia Research Corp. (NASDAQ: ACTG; NR) in 2003 against both for-profit and not-for-profit colleges delivering streaming media content as part of their course offerings. In that situation, a still-private Capella, agreed to undisclosed licensing fees, while other schools banded together to contest the claim. Ultimately the issue seemed to die away."

Signal Hill adds that all three companies mentioned in the DVSI suit utilize third-party tools to manage their content and their students online, with Capella using WebCT/Blackboard and Laureate/Walden using eCollege tools. None of the companies has responded formally, but we do not expect the claim, even in the unlikely event it results in a license payment, to end up being material to the companies' financial performance.

i4cp Adds Masie and Marsh to Board of Directors

Chris Marsh, former chief executive of Unicru, a recruiting software company purchased last year by Kronos, and Elliott Masie, a researcher, futurist and thinker on learning and workplace productivity, have joined the board of directors of The Institute for Corporate Productivity (i4cp). Marsh and Masie will join existing board members Jeffrey Busgang of IDG Ventures, Patricia Nakache of Trinity Ventures, and Kevin Oakes, founder and CEO of i4cp.

"Chris and Elliott are two of the leading thinkers and most accomplished business leaders in the field of human capital," said Oakes. "Their experience lends perfectly to our focus of providing corporate executives with a safe and private peer community, anchored by decades' worth of industry-leading research, on all issues related to workforce productivity. I'm looking forward to working with both Elliott and Chris as we become the de facto destination for corporations interested in improving the productivity of their workforces."

As CEO of Unicru, Chris Marsh spearheaded the development of an industry leading talent management solution that led the company to be recognized three out of four years as one of the 500 fastest-growing and most successful companies in the United States, as ranked by Inc. magazine and Deloitte & Touche. "i4cp is unique among research organizations in the industry today," said Marsh. "The Institute is marrying research, online communities, technologies and measurement tools in a way that lets top executives anticipate and capitalize on the trends that will shape tomorrow's workforce."

Elliott Masie is an internationally recognized futurist, author and researcher whose focus is the nexus of learning, technology and business. He leads the Learning Consortium, a coalition of more than 230 Fortune 500 companies, and the Masie Center, a Saratoga Springs, New York-based think tank. Masie's learning-industry accolades include lifetime achievement awards from the American Society of Training and Development and U.S. Department of Defense. He has spent more than 25 years showing major corporations how to tap learning and collaborative technologies to spur profitability.

"I was impressed and intrigued by the opportunity that i4cp has created to build an array of communities of practice that are predicated on a range of research and best practices for business leaders," said Masie. "I'm focused on how organizations can support learning and knowledge within the workforce. While I have historically not served on corporate boards, my long-standing relationship with Kevin Oakes made me feel this was an important venture. I'm excited to be asked to be part of the growth of i4cp."

Hidden Dollars in IT Training

The April issue of T+D magazine reports that the actual dollars spent for IT training are unknown, and decisions are not made in plain view. This might sound like the national intelligence budget, but such characteristics also describe IT training.

Rick Gregory, managing director of North Carolina-based IT Training Community, says 75 percent of decisions made regarding IT training are made by an IT manager and not a member of the training department. He attributes this in part to the knowledge gap between IT managers and training professionals. "Training departments have a hard time understanding what IT departments need," he says. "To integrate more effectively, trainers need to develop more technical acumen."

The IT sector spent an estimated \$7.3 billion on training in 2007. The cost represents only a fraction of the overall IT training budget, which Gregory believes is largely unrecorded. He calls such accounts "unmanaged to spend," meaning training dollars are often included in travel costs or additional technology purchases that are not recorded as training expenses. "It's hard to pinpoint the [actual] IT training budget if you just look at the training function," he says. The drawback to central decision making is that many IT managers do not have a training background and thus do not possess the experience to judge the effectiveness of a regimen, according to Gregory.

There are three tiers of providers in the IT training field. The giants are companies such as Global Knowledge and New Horizons. The second tier includes CED Solutions, Sunset Learning, and ProTech. Then there are the small organizations that bring in revenues between \$200,000 and \$5 million.

As IT departments are now considered strategic decision makers, many IT managers are completing training in business analysis to prepare them for boardroom participation. Another ongoing trend is project management training. There are four sectors of IT where separate skill sets exist: infrastructure network, developer-programmer, desktop user, and

software applications.

Given the wide range of training needs, Gregory maintains a web portal that allows IT professionals to navigate the terrain. The site ([www.trainingindustry.com/ it/](http://www.trainingindustry.com/it/)) allows users to search for a training professional or company and permits providers to present their qualifications to prospective customers in an environment free from sales pressure. Providers and customers can search the site for free.

Gregory is preparing a report that will list the best IT training companies. The report is expected to be completed this spring. He says he developed the portal as a way for consumers to make informed decisions, citing a “low barrier for entry into training.”

--Michael Laff

March 10, 2008

Right to Privacy Spurs Training

A spike in demand for training on privacy protection is appearing in organizations thanks to increased government mandates and liability concerns inside companies, according to training experts. Privacy-related regulations including data protection have already been adopted within the federal government and private industry, but they're expected to assume even greater importance soon within the private sector. The initiatives are fueled by fears of identity theft and unauthorized or accidental release of personal records.

The demand for increased privacy protection has already begun. Examples include the Health Insurance Portability and Accountability Act (HIPAA), enacted in 1996 to establish national standards to protect the privacy of recipients of healthcare services and coverage. Other privacy-related laws include the Gramm-Leach-Bliley Act of 1999 related to finance, and the Fair Credit Reporting Act, which was amended in 2003.

Mandatory training requirements outlined in such laws prompted a dramatic upturn in requests for training on privacy issues, according to Norman Ford, director of compliance solutions at content provider SkillSoft. “There is lot of confusion about personal information that organizations need to protect, and how they need to protect it,” Ford says. “Something as innocuous as asking for a telephone number can expose a company to liability.”

Those concerns will increase further when Congress revises privacy provisions in the Patriot Act and the Foreign Intelligence Surveillance Act, Ford predicts. Meanwhile, laws and compliance training mandates written specifically for the federal government are expected to migrate into the private sector eventually. One possible candidate is the Federal Information Security Management Act, a new law that requires every federal agency to provide information security for their information-technology (IT) systems.

The U.S. Department of Defense issued a new regulation that dictates specific levels of certification and training for individuals throughout the military and its suppliers throughout the world. Known as Directive 8570.1, it's the subject of intense training by IT training providers such as Global Knowledge. The directive is a likely prototype for security training throughout the government, says Global Knowledge executive Kevin Rogers.

While high-profile laws such as Sarbanes-Oxley garner media attention, employers are facing an unprecedented level of required training in all sorts of areas. There is the panoply of laws affecting environment, safety, and health, and HR compliance regarding Equal Employment Opportunity, just for starters. Even where employers aren't being ordered to train, they often do so to avoid liability. For example, training providers report increased demands for training on ergonomics issues despite the lack of any official driver.

Another emerging trend in compliance training is greater use of e-learning as a delivery tool. SkillSoft and other e-learning providers again predict double digit growth in 2008 for compliance products, continuing the pattern of recent years. Even so, "the compliance training market in e-learning is still in its infancy," Ford says.

One reason why is the principal point of contact at many companies—the risk manager. That individual is by definition risk-averse and typically not an early adopter of new technologies, says Ford.

E-learning's expanding role in the delivery of compliance-related training has also received a powerful endorsement from the California state government. At issue is the state's three-year-old sexual harassment training law, which requires most employers to provide their California-based supervisors with sexual harassment training. Final regulations issued last August explicitly approve e-learning and webinars as methods of achieving compliance with the law. They also detail the type of web-based learning programs that satisfy its mandate.

The rules stipulate that e-learning must be sufficiently interactive so that employees can ask questions of a qualified trainer and have them answered within two days. They do not permit content that consists of a one-way "information dump" or excessive amounts of passive reading. Also included are guidelines for development of in-house sexual harassment training programs and selection of content from external training vendors. The California law may be a nuisance to some employers, but it's being hailed by e-learning content providers as an important precedent for future government mandates of compliance training.

By Paul Harris, T+D magazine

Training Ranks #21 on Jobfox's Top 25 Most Wanted U.S. Professions

Despite warnings of a slower-growing economy, a number of highly skilled professionals—software developers, nurses, sales representatives, and trainers, for example—remain in high demand to fill critical roles for U.S. companies, according to new Jobfox Top 25 Most Wanted U.S. Professions rankings released today.

"These are professions that are thriving and will continue to be in demand for the foreseeable future," says Rob McGovern, the CEO of Jobfox (www.jobfox.com), a website that intelligently matches, alerts, and connects personally branded candidates with employers. "While hiring activity is reportedly slow in some industry sectors—construction and manufacturing, for example—companies continue to go after a host of high-impact professions requiring degrees or specialized skills."

Software Design/Development, Nursing, Accounting/Finance Executive, Sales/Business Development Representative and Administrative Assistant are the top five most active professions in the March 2008 rankings. The report reflects the professions most often targeted by employers and recruiters using Jobfox to search for and find new or replacement workers during a 120-day period.

Training hits the list at number 21, with an average salary of \$55K-\$65K. JobFox defines training as "creating or delivering corporate or professional training programs via traditional educational environments, as well as online or by

video conferencing.”

The March 2008 Jobfox Top 25 Most Wanted U.S. Professions rankings were derived from a stratified random sample of more than 4,000 U.S. job openings from the Jobfox database during a 120-day period ending February 21, 2008. In total, Jobfox identified more than 150 distinct professions for which employers were seeking candidates during the period. Also captured in the rankings are the median salary ranges desired by candidates for top-ranked professions. A stratified random sample of more than 100,000 Jobfox candidate profiles, matched to specific professions, was used to determine median salaries for each profession.

The complete list of rankings is available at www.jobfox.com/Site/PressRoom.aspx. Along with the rankings of the top professions, the report includes the median salary ranges sought by Jobfox candidates with matching profession profiles.

The Kenexa Research Institute Finds That Talent Management Makes A Difference

For many years, academics and practitioners have recognized the influence of talent management (e.g., career path programs, goal development and monitoring, regular feedback sessions with managers, tracking progress) on employee execution and motivation to complete a task. What might have been overlooked is the positive effect that an organization’s talent management practices have on how an employee feels about the capabilities of their manager, their job satisfaction and their intent to stay with the organization.

Research conducted by the Kenexa Research Institute (KRI), a division of talent acquisition and retention solutions provider Kenexa, evaluated workers’ views of their organization’s dedication to talent management and its effect on employee engagement. The results from the latest cross-culture study indicate that among the six countries surveyed, only 25 percent of workers believe their organizations provide strong guidance in terms of goal setting, managerial feedback and career development. Workers in the United States are more likely (53 percent) to indicate their organizations invest in and regularly practice talent management, compared to approximately 10 percent of surveyed workers in Germany and China.

Across all six countries, organizations with a focus on talent management have employees who are more engaged, and who are more satisfied with their job and the company overall. Having a strong talent management culture also favorably impacts how workers rate their pride in their organization and willingness to recommend it as a place to work. Additionally, if employees have favorable views of the organization’s talent management practices, they are more likely to have confidence in the future of the organization.

Employees who believe in their company’s talent management efforts also have more favorable opinions of their management. These employees believe their manager effectively manages the workload and that senior management demonstrates employees are important to the success of the company. They are also more likely to feel a sense of job security, be satisfied with on-the-job training, feel that performance is evaluated fairly and experience greater feelings of personal accomplishment.

“People have a fundamental need to know how they are doing and what the future holds for them. It’s simply part of who we are. Organizations that understand this and have the process in place to make it happen have an advantage over their competitors. Not only are they going to outperform their competitors, but they are building a more engaged and committed workforce. Those who don’t get it are the ones constantly scrambling for talent and spending a lot more on recruitment and training. Their customers also know this and are less loyal, as a result,” says Jack Wiley, executive direction, Kenexa Research Institute

The report is based on the analysis of data drawn from a representative sample of workers surveyed in 2007 through WorkTrends™, KRI's annual survey of worker opinions. The survey included workers from Brazil, China, Germany, India, the United Kingdom, and the United States.

SkillSoft Survey Shows Companies Should Do More On-The-Job Training

SkillSoft, a provider of on-demand e-learning and performance support solutions for global enterprises, government, education, and small- to medium-sized businesses, recently announced a study that indicates that eight out of 10 employees would have higher job satisfaction levels if they received more on-the-job training. But, a SkillSoft survey also found, nearly three of those same 10 workers don't have this opportunity because they don't have access to any ongoing training in their workplace.

The surprising information came to light as part of a comprehensive survey commissioned by SkillSoft in which more than 200 employees working in entry-level to executive positions in IT, sales and marketing, customer service, finance, human resources, and administration were interviewed. Roughly 80 percent of workers said they would be more satisfied if they were given additional training. Nearly 28 percent of respondents said they work in companies where there is no ongoing training to help them further develop their skills.

"We at SkillSoft believe in helping organizations reach their corporate objectives, and a large part of that is achieved by their employees developing the right mix of skills to continually achieve this success," says John Ambrose, senior vice president of strategy, corporate development, and emerging business for SkillSoft. "Enabling workers to be exposed to best practices and significant amounts of formal and informal learning assets pave the way for better business performance."

The SkillSoft-sponsored survey was conducted by Infosurv, a full service market research company. Invosurv's online sampling partner for this survey was Greenfield Online, who developed the first online respondent panel in 1994. More than 40 percent have been in their field for over 10 years and almost half were from the field of information technology. The study included participants from all areas of the United States and more than 60 percent have been with their employer for more than three years.

Code of Ethics Required for Federal Contractors

Seeking to ensure more ethical behavior from federal contractors, the U.S. government issued new rules that will require large contractors to offer formal ethics and compliance training programs to their employees and to adopt written codes of ethics.

The new guidelines establish a policy that all federal government contractors should have a written code of business ethics and conduct. Contractors should also establish an internal control system that facilitates discovery of improper activity in connection with federal contracts and ensures corrective measures are instituted promptly.

In some cases compliance with the policy is voluntary, but for large contracts the requirements are mandatory. Contractors submitting bids for contracts of \$5 million or more where performance of the contract is expected to exceed 120 days must adopt their written code of ethics within 30 days and implement the training and internal control system components within 90 days of the contract award.

A copy of the code of ethics must be provided to each employee working on the contract. Agency contracting officers

can extend the implementation period at the request of the contractor. The rules do not specify the required elements for the training program, giving flexibility in design and implementation to organizations.

The internal control system should include periodic reviews of the organization's business practices and policies for compliance with government contracting requirements, an internal reporting mechanism to encourage employees to report suspected incidents of misconduct, internal or external audits, and disciplinary action for improper activities.

Carl E. Anderson, an attorney with Barley Snyder in York, Pennsylvania, believes the new regulations will have a meaningful impact on federal contractors. "These regulations impose, in the context of many small privately owned government contractors, the same ethical considerations and standards applicable to large public companies under Sarbanes-Oxley," he says.

To view the final rule, visit www.regulations.gov and search "FAR Case 2006-007."

--Kermit Kaleba is senior policy specialist for ASTD; kkaleba@astd.org.

February 4, 2008

Virtual Worlds Coming to Your Business, Forrester Predicts

In five years, enterprise versions of online virtual worlds like Second Life will be just as important to business as the web is today, predicts Forrester Research in its new report, "[Getting Work Done in Virtual Worlds](#)." The report concludes that executives should begin investigating and experimenting with virtual worlds soon because of their promise for remote collaboration, training, and the ability to build and share 3D models.

The report said that today's collaboration tools offer far more limited benefits to companies. For example, the inability to see the gestures of fellow meeting goers causes problems for attendees in different offices, the report noted. In a virtual world, people can have their name, job title and business unit associated with an avatar that can attend meetings and have access to virtual buildings, rooms, equipment and people, Forrester said.

According to the report, "You can easily direct your avatar to express gestures and emotions ... plus you can leave behind real-world unpleasantness such as the poor heat in your cubicle while your next door neighbor is burning or the loud guy talking the phone next to you." The report adds, "[In meetings] you always know who is talking and who's anxious to jump into conversation because they are waving their hand or jumping up and down in the corner of the room.

The virtual model is especially important for professionals like surgeons, architects, engineers and product designers, who use CAD models or visualization systems to explore or create projects, Forrester said. In virtual meetings, these professionals can import models for discussion and modification.

Virtual worlds can also eliminate the expense of remote training and provide a better experience by simulating on the job experiences as well as recording the training so that multiple sessions can be run across time zones and different job descriptions, according to Forrester.

The report noted that the University of Maryland worked with the I-95 Corridor Coalition to build a virtual world simulation of highway emergencies using the OLIVE Platform from Forterra Systems Inc., which allows participants to assume a role like a firefighter or police officer and interact with others in a simulated emergency.

In addition, it said that Duke University and Virtual Heroes Inc. are collaborating to create a high-fidelity 3D virtual environment for health care. That effort, funded by the US Army, combines gaming concepts with health care coordination to help train health care professionals in team work and communication skills.

The research effort did find that many businesses are holding back from virtual efforts due to the notion of some people that virtual worlds are frivolous places "where deviant personalities can exhibit their alter egos" and by the advanced skills -- similar to those used by sophisticated gamers -- required to operate one, it said. In addition, typical materials associated with meetings like word processing documents and spreadsheets are likely to be missing from a virtual world. Finally, virtual worlds are usually bandwidth hogs that are likely to hang or require multiple reboots, Forrester added.

Erica Driver, the Forrester analyst who authored the report, says it might take businesses a little while to ready themselves for a foray into virtual worlds. It is very large organizations that the report cites as leading adopters; projects at places like IBM, BP, Intel, and the U.S. Army are going ahead. For many others, it will take not only resources, but much training for users to make virtual worlds productive.

To offset such challenges, Forrester recommends that companies first experiment with a virtual world, where set up costs can be as low as \$60 per user per month. At the same time, companies should set up policies defining the acceptable use of virtual world and "keep a laser-like focus on the desired outcome" like making remote workers feel more like a part of the company or reducing manufacturing costs, the report noted.

Unlike social networking sites like Facebook, blogging software and other online applications, participating in a virtual world takes both know-how and practice (think of learning how to create an avatar, manipulating it in the virtual world and more). It's no wonder that virtual worlds haven't been quite as widely embraced. A Comscore report in May 2007 said that the most popular virtual world for consumers, Second Life, counted about 1.3 million active users.

While Driver says it's not too difficult to navigate virtual worlds with some practice, it still takes time and needs to be easier to use. But as developers make these online applications easier to use, Driver says virtual worlds will become attractive for organizations that have distributed staffs and many remote workers.

Changes to Apprenticeship Program Could Be Forthcoming

Apprenticeship has been an effective model of on-the-job training for centuries. The U.S. Department of Labor is seeking to update it for the 21st century.

In December, the department issued a Notice of Proposed Rulemaking (NPRM) to update the rules for the National Apprenticeship System. The voluntary, industry-driven training program was created in the 1930s to promote the establishment of registered apprenticeship programs and provide training and welfare standards for apprentices. More than 460,000 apprentices participate in 28,000 programs nationally. Registered programs are eligible for federal and state contracts, grants, and other assistance.

One proposed change would expand the number of pathways to apprenticeship completion and certification. Under the current model, apprentices must complete a specific number of on-the-job and technical instruction hours. Under the

proposed rule change, instruction hours would be supplemented by a competency-based approach, in which candidates would be required to demonstrate competency in defined subject areas without specific time requirements; and a hybrid model combining the time and competency-based approaches.

The rule change is welcomed by Stephen Mandes, executive director of the National Institute for Metalworking Skills in Fairfax, Virginia, which has developed a competency-based model in response to the needs of the precision manufacturing industry. Mandes notes that many of his member organizations had begun to move away from apprenticeship programs earlier this decade because the time-based approach was not producing results.

“The competency-based approach provides greater certainty to employers and employees alike that employees possess the skills they need,” says Mandes, who adds the changes reflect the changing needs of the economy.

Other proposed changes include:

- permitting the use of technology-based and distance learning in technical instruction
- adding new requirements for apprenticeship instructors that include a requirement that instructors be familiar with training techniques and adult learning styles
- improving linkages of state apprenticeship agencies with the public workforce investment system under the Workforce Investment Act.

Workplace learning and performance professionals working with registered apprenticeship programs can submit comments. The NPRM will remain open for public comment through February 11, 2008, after which the Department of Labor will issue its final regulations.

To view the Notice of Proposed Rulemaking, visit <http://www.dol.gov/eta/regs/fedreg/proposed/2007024178.pdf>.

--Kermit Kaleba

2008 Corporate Learning Factbook Values U.S. Training Market at \$58.5B

Although management represents a small percentage of the corporate workforce, it gets the lion's share of the corporate training budget, according to Bersin & Associates's recently published *2008 Corporate Learning Factbook*. Approximately 21 percent of training program dollars is spent on leadership development and management/supervisory training.

“Corporations are investing heavily in current and up-and-coming leaders,” said Josh Bersin, president of Bersin & Associates, the only research and advisory firm solely focused on enterprise learning and talent management. “We see an emphasis in this area across all sectors. Looming retirements, gaps in management talent, and economic pressures are causing companies to funnel dollars into their leadership pipelines.”

One of the company's most popular studies, the 77-page *2008 Corporate Learning Factbook* analyzes a wide range of metrics, including budgets, expenditures per learner, cost per student hour, program priorities, budget allocations, staffing sizes, staff to learner ratios, staff to total spending, technology usage and budgets, and outsourcing spending.

Among its findings:

- The corporate learning market grew slightly from 2006 to 2007, increasing from \$55.8B to \$58.5. Spending on products and services grew from \$15.8B in 2006 to \$16.38B in 2007.
- The average spending per learner is \$1,202, a figure that is roughly equivalent to last year. The highest spending sector is finance and insurance (\$1,061 per learner) and the lowest is retail (\$594 per learner).
- While management/supervisory training and leadership development is a top priority overall, specific industries invest heavily in other employee audiences as well. For instance, in telecommunications, 23 percent of training program dollars is spent on customer service training; technology companies invest 29 percent of training dollars on sales training; and pharmaceuticals spend 25 percent on compliance and other mandatory training.
- E-learning has grown dramatically. The use of self-study e-learning now accounts for 20 percent of student hours, up from last year's figure of 15 percent. This growth is driven largely by an increase in online training among small organizations (100-999 employees), which are acquiring the skills and technology to make online training a reality.
- The younger generation of learners is driving changes in learning strategies. This year's study shows a sharp increase in new web-based and collaborative learning resources, such as podcasts, communities of practice, blogs, and wikis.
- Reliance on outsourcing continues to increase in two categories: the use of outside instructors and custom content development. Outsourcing of LMS administration showed a decline in 2007, as did use of offshore content developers.
- Today 38 percent of organizations are using a learning management system (LMS), with the highest growth in usage among mid-market buyers. Over half of all companies are using a virtual classroom tool, and between 20 to 30 percent are using application simulation and rapid e-learning tools.

For more information, including a table of contents, go to www.berstein.com/factbook.

Supervisory, Leadership, and Diversity Training to Rise in 2008

Both spending and staff time will be boosted in 2008 for supervisory, leadership, and diversity training, according to an annual survey of more than 2,500 senior HR executives by Novations Group, a global consulting organization based in Boston.

Supervisory/management skills and leadership/executive development headed the list of 15 kinds of content, followed by diversity/inclusion training. Supervisory and leadership content both topped the list a year ago as well, but this year diversity/inclusion jumped seven points, the largest increase anticipated in the survey.

"Training and development budgets shouldn't and don't change dramatically from year to year," said Novations CEO and president Mike Hyter. "To the degree that training is regarded by senior management as a fundamental strategic tool and the planning is based on business objectives, priorities may shift modestly but are generally consistent over time. Nevertheless, we see greater emphasis on building management bench strength as baby boomers begin to retire."

The anticipated hike in diversity and inclusion budgets comes as no surprise to Hyter. "Diversity content today has less to do with addressing past grievances than with giving middle-level people greater opportunities for growth. In effect, diversity and inclusion [training] is increasingly an extension of mainstream supervisory and executive development programs."

Hyter expects more employers to build alliances with training organizations in order to leverage resources more effectively. "Outside trainers will be asked to develop specific competencies, while basic needs will be met by in-house staff."

Generational issues will also draw greater attention as employers address the gap between baby boomers and their replacements, said Hyter. "Succession planning will rise to the top of the training and development agenda. And organizations will expand talent management efforts that look at an employee's entire life cycle in an integrated way."

Equation Research conducted the Internet survey of 2,556 senior HR and workplace learning executives in December 2007.

Short-Sighted Changes Prevent HR from Becoming True Asset

The February issue of *T+D* reports that more than 84 percent of 150 global companies surveyed in a new study say they are revamping their HR functions, but many are missing an opportunity to build value and make the department an integral part of the company's business strategy.

The survey conducted by Deloitte Consulting indicated that revamping HR is still mostly about savings, systems, and processes, despite rising demands for HR function to meet the challenges of an increasingly competitive business environment.

One strategy that companies are still using to improve their HR functions is outsourcing administrative activities while retaining HR's strategic capabilities in-house. Approximately 40 percent of surveyed companies that are transforming HR have outsourced some routine activities such as compensation and benefits (94 percent), HR administration inquiry (94 percent), shared service center operations (88 percent), HR information system (88 percent), and payroll (85 percent).

Other companies are now looking to outsource more strategic HR activities, such as training and development (42 percent), recruiting and staffing (36 percent), compliance (36 percent), talent management (27 percent) and global mobility (21 percent).

"HR needs to focus more on supporting business objectives—revenue growth and talent," said Robin Lissak, Deloitte Consulting principal and director of the survey. "For instance, new market entry is an important growth strategy for many companies and is often a risky proposition because talent can't be sourced, retained or trained in the company's culture. It is clear to us that a long-term focus can have a bigger positive impact on corporate results."

The primary motivations behind HR improvements continue to be cost savings or efficiency (85 percent) and effectiveness of service (75 percent). Only one-third of respondents cite building HR capability as a driver for the overhaul and even fewer (30 percent) responded that they were making improvements to free HR to undertake a more strategic role.

Some organizations are moving toward business-HR alignment and are identifying key business issues that are driving future HR improvements—training the next generation of leaders (40 percent); building and managing a global workforce (33 percent); mergers and acquisitions (31 percent); and an aging workforce (27 percent). However, only 40 percent of respondents have structured processes for future HR planning. This is clearly an area that needs improvement as HR will likely find it difficult to support business strategy without a formal mechanism to solidify this alignment.

January 22, 2008

Mixed Bag on Capital Hill

The first session of the 110th Congress was something of a mixed bag for the workplace learning and performance profession. On the one hand, Congress made significant progress on legislation to reauthorize higher education programs, provide job training assistance for workers dislocated by foreign trade, and to boost science and engineering education and research. But it failed to pass, or even introduce, legislation to renew the nation's public workforce system and to reauthorize elementary and secondary education programs under No Child Left Behind. With a national election on the horizon, it is possible that legislative activity will slow to a crawl in 2008, leaving unfinished business to the next Congress to undertake.

In August 2007, Congress passed the America COMPETES Act, a significant measure designed to increase investment in research and education in the science, technology, engineering, and math (STEM) fields. The legislation would require the President to establish a Council on Innovation and Competitiveness, which would be responsible for developing a comprehensive agenda to enhance U.S. competitiveness. In addition, the bill reauthorizes the National Science Foundation and the National Institute of Standards and Technology through 2010, and provides significant investments in research and education programs throughout the federal government.

On October 31, 2007, the House of Representatives passed legislation to reauthorize and expand the federal Trade Adjustment Assistance (TAA) program, which currently provides job training, health care and other benefits to manufacturing workers who lose their jobs due to imports or offshoring. The bill expands eligibility to workers in the service and government sectors, and makes it easier for all workers to be certified as eligible for benefits.

The Senate has not yet acted on a similar bill, introduced by Senator Max Baucus (D-MT), but action is anticipated in early 2008. The Bush administration has signaled dissatisfaction with the House measure, citing added costs, but it is unclear whether the President would veto the final bill.

The House also appears to be making progress towards reauthorization of the Higher Education Act, which covers financial assistance for colleges and students. The House Education and Labor Committee unanimously approved a measure to extend the law for five years, setting the stage for smooth passage on the House floor. The Senate passed their bill in July, and it is likely that final legislation could emerge in late 2007 or early 2008. The president has not indicated whether he would sign the measure, but has not threatened a veto.

The relatively swift advance of higher education legislation comes in the absence of other needed action. Senator Edward Kennedy (D-MA) and Rep. George Miller (D-CA), chairs of the key Senate and House Committees, respectively, have both floated draft language to renew programs under No Child Left Behind. Strong resistance from both parties, however, has led both chambers to delay action until at least 2008.

In addition, neither the House nor the Senate has introduced bills to extend the Workforce Investment Act, which governs federally-supported job training, employment assistance and adult education programs. The law has not been reauthorized since it expired in 2003, and even the appropriations process has been unkind to WIA. The spending bill for the Department of Labor, which administers the program, included a \$245 million cut for adult,

dislocated worker, and youth training programs. While the president vetoed the measure, prospects for renewing and expanding the program look dim for 2008.

—*Kermit Kabela, Senior Policy Associate for ASTD*

Blackboard Announces Acquisition of NTI Group

Blackboard has announced a definitive agreement to acquire privately-held NTI Group, Inc., a leading provider of mass messaging and notifications solutions for educational and government organizations via voice, email, SMS, and other text-receiving devices.

Under terms of the agreement, Blackboard will acquire NTI for \$182 million subject to certain adjustments. The purchase price will be paid \$132 million in cash and \$50 million in stock. In addition, up to an additional \$17 million in consideration may be paid in stock based on attainment of certain financial targets over the two years following the close of the acquisition.

This acquisition enables Blackboard to better help institutions address several key challenges and trends that are taking place within the education community, such as

§ as online learning continues to grow and more institutions use the Internet to connect with traditional and virtual students, it is becoming increasingly important to have the capability to deliver mass communications with large populations of users across an array of technical devices

§ it has become imperative that academic institutions have the ability to quickly and effectively communicate with their entire campus constituency in the wake of a range of school and campus tragedies, severe weather, and other safety concerns

§ institutions are focusing on mobile-centric strategies and looking to tightly integrate their learning environments with cell phones and PDAs.

In addition, this positions Blackboard to assist Governmental agencies and municipalities which are also increasingly expected to reach their entire constituencies directly in an expeditious, time sensitive and cost-effective manner in the event of serious public safety matters.

The acquisition of the NTI Group moves Blackboard into the fast-growing alert and notification market, forecast by Yankee Group to grow to an estimated \$1.2 billion in revenue in the United States by 2011, representing a five-year compounded average annual growth rate of over 30 percent. The combination of Blackboard and NTI adds another mission-critical offering to Blackboard's existing suite of enterprise products and fulfills a key education technology priority. The addition of NTI's Connect-ED offering will allow Blackboard to extend its leadership in North American higher education and establish a much more significant presence with U.S. K-12 institutions where NTI has already established a significant client base.

"Time-sensitive mass notification systems are a top priority for global academic institutions," said Michael Chasen, Blackboard's president and CEO. "NTI is the leading provider of these systems to educational institutions and government agencies and the addition of their solutions is an excellent next step in the growth of Blackboard's product

portfolio. NTI expands our client base significantly and in particular adds more than 1,200 new relationships with key IT decision makers in the K-12 market. I believe the union of our companies will create substantial cross-selling opportunities and add significant shareholder value."

"We are extremely pleased to become a part of Blackboard and enhance their product offering with our mission critical communications technology," said Robin Richards, NTI chairman and CEO. "We believe that we can leverage Blackboard's existing infrastructure, geographic diversity and relationships in higher education to efficiently expand the reach of our communications platform."

Both companies' Boards of Directors have approved the transaction. Subject to regulatory approval and other customary closing conditions, the transaction is expected to close in the first quarter of 2008. The combined companies will operate under the Blackboard name and brand with corporate headquarters located in Washington, DC.

For more information, read the full release at <http://www.blackboard.com/company/press/release.aspx?id=1095608>.

Bersin & Associates Research Shows Market Potential for Talent Management Suites

Bersin & Associates recently released its latest research study, *Integrated Talent Management Suites: Market Realities, Implementation Experiences, and Vendor Profiles*, estimates the market to be at \$2.3billion in 2008, which encompasses such strategic HR functions as recruiting, learning management, compensation, performance management, and succession planning.

"This is a highly important, yet still emerging market," says Josh Bersin. "It is very reminiscent of the early ERP market, which essentially transformed corporate technology infrastructure. Facing significant talent challenges, which could potentially be exacerbated by economic pressures, organizations are eager to leverage technology to integrate all facets of talent management. However, few organizations have succeeded in tying together disparate HR systems to implement a complete solution."

The Bersin & Associates research study, which details 20 suppliers, includes capability charts for all functions and a *MarketMap* based on target markets and market presence. The report also offers a new *Vendor Snapshot Analysis* that provides an at-a-glance comparison of vendor strengths and overall ratings based on customer satisfaction, architecture, product strength, and vision.

Vendors with highest ratings include CornerstoneOnDemand, StepStone, and SuccessFactors. Other important vendors include: Authoria, Halogen Software, HRsmart, Kenexa, Lawson, Learn.com, Oracle, PeopleSoft, Plateau, Saba, SAP, Softscape, SumTotal, Technomedia, TEDS, Vurv, and Workstream.

"Despite what vendors claim, implementing an integrated talent management technology strategy is not easy. In fact, it's highly complex," says Leighanne Levensaler, principal analyst and the study's primary author. "The potential business value of successful strategies is significant, but wrong decisions can be very costly."

For more information on the study, as well an executive summary ,and recorded market overview, go to www.

bersin.com/tmsuites.

InformationWeek Reports IT Skills Famine Will Worsen

There is a profound shortage of IT-skilled professionals in the United States, and this situation is only going to worsen as massive numbers of IT pros retire over the next 15 years, writes Stevens Institute of Technology professor Jerry Luftman in an [InformationWeek article](#).

“Skilled IT professionals are scarce already, and the short supply is stressing organizational growth plans. Add to this the impending baby boomer retirement bubble, and the situation worsens. As 70 million baby boomers exit the workforce in the next 15 years, only 40 million people will enter the workforce. McKinsey & Co. predicts that over the next three decades the demand for experienced IT professionals between the ages of 35 and 45 will increase by 25 percent, while the supply will decrease by 15 percent.”

A survey of top IT management sponsored by the Society for Information Management learned that there is a still a strong need among employers for IT professionals with both technical and business-related skills, with respondents worried about the scarcity of such talent. Research indicates definite expansion in the market for IT-skilled individuals, with the growth centered both globally and domestically in IT organizations within client companies that purchase IT products and sourcing services, and in IT service providers.

The National Center for Education found that there have been dramatic declines in graduate science degrees awarded in the United States and undergraduate computer science enrollments, and children are deciding not to pursue IT careers because of a lack of communication or encouragement from teachers, counselors, and parents.

Many Asian and European nations are more successful than the United States in educating and training their upcoming workforce in the science, technology, engineering, and math (STEM) skills that the marketplace demands, and Luftman argues that "universities in the United States should continue to augment these [STEM] skills along with the skills being demanded by employers--such as business, industry, communications--to ensure that these candidates are prepared for the challenges and opportunities that await them." He says the key U.S. stakeholders--private industry, educational systems, and government agencies--must cooperate on the revitalization of the IT candidate pipeline in order to guarantee the continuance of U.S. global economic leadership.

Departing Knowledge Walks Out the Door

The January issue of T+D reports that for many organizations, the only planning being contemplated for retiring baby boomers is determining how many pizzas to order for the farewell party.

A surprisingly low 4 percent of organizations reported having a formal knowledge transfer process, according to a survey of 2,046 senior human resources and training and development executives conducted by Novations Group, a Boston-based consultancy. Another 23 percent reported having an informal process.

“A lot of organizations don’t view their work as having to be passed down,” says Tim Vigue, a Novations consultant. “They don’t think they have any intellectual property to manage. We think that’s short-sighted.”

The concept of knowledge transfer is still a new concept in the learning field, and Vigue believes its novelty is a primary reason why there are few best practices on how to do it effectively. Much like succession planning, an organized knowledge-transfer plan requires long-range thinking, which is in short supply within most organizations that are consumed with quarterly forecasts and annual performance rankings.

“They’re either not worried about it or they’re too busy and think they can just hire someone from the outside and not lose too much,” he says. “If you don’t analyze it, you don’t know, and that’s the risk some people are taking.”

Vigue noted some conflicting reactions among managers who are reluctant to invest any longer in development of soon-to-be-retired staff yet want pursue them for their knowledge. Economic circumstances are requiring many older workers to work longer than they initially planned, so they might not be so eager to leave permanently.

“Managers are saying, ‘Why should we develop them when they’re ready to go out the door?’ There is some resentment among older workers because they believe they don’t get the same opportunities as younger employees,” Vigue says. “At the same time, other organizations now see them as valuable.”

Capturing the knowledge of a long-time employee can save time when training a new hire because the frequently-asked questions can be placed within training materials or in a wiki. Long-time employees may also possess valuable information about clients or partners that would be difficult for a new hire to learn initially.

Some clients have just begun asking how to establish a formal knowledge-transfer process. Government agencies were among the first institutions to take note of the large number of pending retirees. Vigue says his clients, notably in the oil and gas sector, where long-tenured employees are planning retirement, are beginning to analyze what information needs to be passed on.

Michael Laff, Senior Associate Editor for T+D.

Google, Facebook, and Plaxo Join DataPortability

Adam Ostraw reports on Mashable that after months of competing platforms, privacy showdowns, arguments over who owns your social networking data, a huge announcement from the [DataPortability Workgroup](#) today: Google, Facebook, and Plaxo are in. What does this mean? From [the announcement](#): “Users will be able to access their friends and media across all the applications, social networking sites and widgets that implement the design into their systems.”

In theory, this completely changes the social networking landscape. Entrepreneurs and developers can now develop applications that live externally of any one social network, that leverage the so-called “social graph” you maintain on your community of choice. In practice, all three of these companies (and presumably the many other big players that will now be forced to join) are currently major competitors, so it is to-be-determined how open things will really become for those of us on the outside.

Within the workgroup, Google will be represented by Brad Fitzpatrick, formerly founder of LiveJournal and often credited with creating OpenID, Facebook by Benjamin Ling who oversees the company’s application platform, and Plaxo by Joseph Smarr, the company’s chief platform architect.

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