

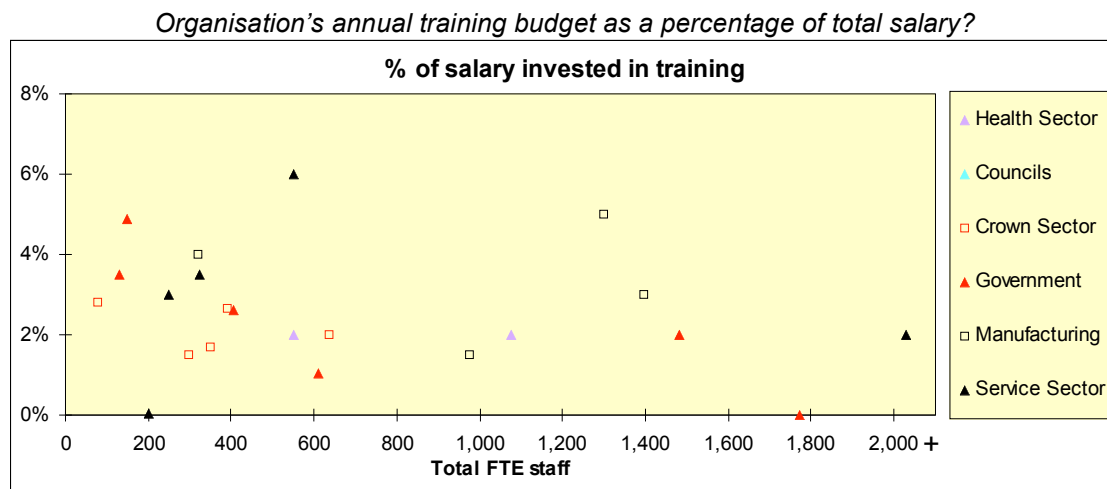
Are you getting enough “bang” for your training buck?

By David Parmenter

As part of our better practice studies* we have noted the concern HR functions have over the value they are getting for their training dollar.

You pay your staff for 52 weeks a year, yet many companies are only prepared to invest one week of salary, 2% of payroll costs, in training. Most of this budget may be consumed on one day seminars which are focused around information gathering rather than learning: as one participant said to me “learning is to do with doing”.

The majority of participants in our surveys invest a relatively small amount into training - between 1% to 3.5% of payroll. There is only one participant who is investing 5% of their total payroll into training, and another investing 4%.



How can you target this training budget to better effect? Participants* have commented on some of the better ways money has been spent. These include:

Getting more for your training \$

- Setting up a training charter
- Training is too important to be left to managers
- Trapping the right statistics
- In-house courses
- Mentor programmes
- Tertiary support
- Training your managers to become coaches
- Do not forget the senior team
- Tapping into the scholarship goldmine

Setting up a training charter

Investors in People, a concept that has arrived from the UK, points out the importance of having a training plan. One participant took this even one step further and developed a training charter. It is a significant step

and one that locked the right training approach into a central facet of the organisation. If you are serious about training, then a charter is essential.

The contents of a charter could include:

- training goals
- training performance measures
- training structure
- management training programmes
- professional training programmes
- individual training
- coaching and mentoring

There are firms where nothing comes in front of training: where client priorities are seldom allowed to override one's training commitment. Such an ethic comes from the senior team with them sponsoring and monitoring training commitments, and themselves attending executive management courses.

Training is too important to be left to budget holders

Back in the early 80s it was common for the training to be closely controlled by the HR team. With the disenfranchising of HR in many companies, training, like many other things, has been handed down to overloaded and inadequately trained managers. The result is training budgets not spent, or consumed in poorly targeted training.

I would argue that training is too important a resource and should be controlled or overseen by some centralised expertise.

Trapping the right statistics

Along with the standard training information, I believe the general ledger can be made to trap more meaningful information on expenditure on training.

| Set up general ledger codes for the following | Actual | Suggested goal |
|--|---------------|-----------------------|
| One day courses | | 20% |
| Management development programmes (5 days or more) | | 20% |
| Tertiary education | | 15% |
| Coaching and mentoring programme | | 10% |
| In-house course development and delivery | | 30% |
| Other | | 5% |
| Total budget | | 100% |

With this analysis you will then have the right numbers to measure shifts away from the convenient one day seminar to more learning focussed opportunities.

In-house courses

Courses specifically tailored for an organisation are, without doubt, the most cost effective form of training. It provides the most control over the topic of training being given and ensures a common language. One large IS function holds a half day training session every 6 weeks. An expert from the 40 strong team prepares a presentation on a topic, and the rest of the half day can be taken up by a visiting lecturer, or presenters translating a successful external course to best meet the needs of the IS team.

One participant* sends all managers on a project management course, run in-house by a well known expert. The participant commented that it was the best course he has ever been on. All management are thus on the same wave length, draft project terms of reference the same way etc.

Another participant, who was going through restructuring, recognised that this was having a negative effect on their staff. They organised an in-house stress workshop called "Stress, humour and health which was very successful.

One word of warning about having the in-house training onsite. You need support from senior management that training is fundamental and that participants are expected to be there on time and for the full duration.

Mentorship programmes

Are you making enough use of the expertise resident in your staff? Participants are starting to tap this better by establishing a mentorship programme. Mentors will need some training as to their role and limits and what they can discuss with the person's manager.

One lesson is that you need to sell mentorship or coaching as training. Whilst it may be obvious to you that this represents excellent training, the participant may not recognise it as a training opportunity.

Tertiary support

Whilst tertiary education can offer very effective targeted training, there should be more than a tenuous link back to the organisation's activities if this expenditure is to come out of the training budget. It is a good idea to track the level of this expenditure in this area. See table below

Train your managers to become coaches

One participant introduced the Genesis (a 40 week programme) of coaching, broadening skills, giving people responsibility. The Genesis programme started off with a 4 day session followed by a 2 day session. Managers also received on-going coaching from external facilitators. The impact in the finance function, for example, was quite dramatic. The financial controllers role changed to providing an environment for his staff and letting go of the technical activities. Direct reports are now fronting up to committees, staff are writing board papers (with guidance, if requested).

Do not forget the senior team

Are the senior team to train themselves? It appears so. It is quite amazing how often new systems are brought in and everybody except for the senior team gets trained.

Why?: The problem is that you do not want to expose their lack of knowledge. Answer: a personal trainer. Senior management do not want to be technological dinosaurs roaming the "top floor". Help them help themselves by providing a personal trainer to improve their computer skills.

Executive management courses are now in common use. The key is to ensure that these expensive courses are a learning experience and not seen as a perk for the executive.

Participants are finding that it is better to select one particular senior management development course and ensure that at least one executive attends each year. For example, after three years you will have at least three executives talking the same language.

Tapping into the scholarship "goldmines"

Every year scholarship monies remain unallocated. Why not set yourself a target of ensuring at least one employee is helped to attend a major learning exercise, in part funded by a scholarship? It is a win/ win solution and good publicity for the company: it stretches the training budget that bit further and makes a big difference to the individual.

As a start, track down the necessary websites and give assistance to staff who are interested in making an application.

Last words

- **Help at least one employee obtain a scholarship**
- **Make your general ledger give you more analysis (have 4 to 8 training codes)**
- **Remember to put training measures in the balanced scorecard**
- **Trap training hours during the performance review or from a half year return**
- **Have personal trainers for your senior management**

* waymark solutions limited, formerly Davies, Parmenter & Associates run better practice studies throughout the year. David Parmenter is the Managing Director. The firm specialises in the measurement of performance, practices and satisfaction. David Parmenter can be contacted on Email: parmenter@waymark.co.nz
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