

As appeared in...

the Business Ledger

The Business Newspaper for Suburban Chicago

Sept. 1, 2008

www.thebusinessledger.com

630-428-8788

Five ways to ensure a significant ROI on your training budget

By Gayle Nicholas

Managing Director of Tandem HR

Business owners acknowledge the benefits associated with training employees. It's cost effective to develop talent from within your company rather than compete for outside talent.



Gayle Nicholas is the managing director for Tandem HR. A top-level executive in human resources with 30 years of experience, she specializes in the areas of compliance, benefits, recruitment, employee

relations, payroll, performance management, and organizational development. Her experience in multi-industries proves invaluable in the PEO industry.

When it comes down to it, however, many managers find it difficult to part with employees for the time needed to attend training sessions. Identifying the return on investment while developing a training budget will help owners and managers realize the direct benefits to the company and its bottom line.

Assess your training needs. When assessing the need for training, develop or utilize existing job descriptions, determine what type of training the incumbent requires to effectively perform the required tasks. Each job may require different training approaches, and some training may be pertinent to entire departments. Don't forget preventive training such as harassment and safety training.

Consider the need for individuals' personal development. If the individual has the potential for growth or promotion within the company, give the employee adequate training to reach that potential. When investing in employees' personal growth, not only are you preparing them for future management or director positions within your company, but you are also demonstrating

your concern for their general education and development. This often creates a happy and motivated workforce, reducing turnover.

Determine who will train. Once a plan is established for specific training needs and it is determined whether training will be performed in-house or by a training professional, identify the trainers by name. Pinpoint managers who are qualified to coach others. Larger companies may consider hiring an internal trainer. If outsourcing your training needs is more economical, there are several types of training methods to consider.

The goal is to find a training method that works for the company. If the type of training does not align with the company's strategic plan or is not available in a method that works for both the manager and the employee, it will not be effective or utilized.

Set training goals. Before beginning a training program, create a list of goals you would like to achieve with the training. Do you want employees to emerge with new customer service skills, the ability to sell more widgets or software expertise? Make sure the goals are realistic, measurable and are understood by employees receiving the training.

Identify training methods. Various methods of training are available. There are workshops and seminars to which you could send an employee. While these are usually professionally run and generally require no work on your end, they can be expensive and may not allow participants to provide input regarding their needs.

There are professionals willing to instruct on-site, thus eliminating travel time for your employees. This method is most cost effective when training a large group.

Online training is becoming increasingly popular. Webinars and online training courses are offered in every professional area, require no travel time and costs and are typically comparable to workshop and seminar fees. Managers may find, however, that certain employees will multi-task during online instruction rather than focus exclusively on the training at hand.

Consider the pros and cons of each method in light of your training goals and individual employees.

Will your employees be able to focus on a webinar? Is the topic more conducive to group feedback and face-to-face interaction? Is it necessary for the individual to be tested after training to determine the level of comprehension?

Measure your training success. This is where companies fall short. It is fairly easy to measure a level of software training comprehension via a post-training test. Likewise, it is easy to measure before-and-after sales track records to determine whether sales techniques have improved. It is more difficult, however, to measure behavior, such as friendly or helpful customer service.

These attributes must be measured over time by analyzing current and future performance reviews and customer service records. While this requires more time, it can and should be done just as regularly as the other measurement techniques.

The most important way to ensure better return on investment for your training dollars is to plan ahead. By following the five steps above, you will understand training's impact on your employees, be knowledgeable about available training methods, make an educated decision about which best meets your needs and set goals and assess whether the training met those goals.

Quick Facts

Tandem HR

915 Harger Road, Suite 300

Oak Brook, Ill. 60523

630-928-0510

www.tandemhr.com

Tandem HR is a full-service professional employer organization (PEO) that partners with small-midsize organizations to further their success by providing expertise in human resource solutions such as payroll, benefit administration, people management, risk management and organizational development.