



Workplace Best Practice

The Formalized Training Plan

Introduction: How to make sure your training investments improve the bottom line

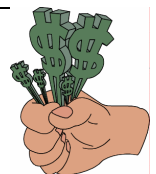
Many companies think taking time to train employees through formalized education hurts their productivity and profits. However, recent Industry Week surveys have found just the opposite. Companies investing at least one week of training per year per employee had significantly *higher* employee productivity and *lower* turnover rates than companies that invested less in training.

The Industry Week study also reported the "best practice" of requiring employee training and mandatory curriculum had been adopted by the top 10% of the most productive companies as a critical component of their overall continuous improvement programs.

The key to making training investments pay off in higher profits through increased employee productivity it is critical to **closely linked education outcomes with specific business objectives**, such as continuous improvement or measurable productivity gains associated with specific departments or teams.

Investments in training, if done right, can have better ROI than investments in new equipment or technology. Training investments made in people usually have immediate productivity gains and do not require costly set-up or transition programs. Of all the assets a business manages, employees are truly the only ones that can appreciate in value; all other assets depreciate each year.

Did you know... Companies that plan in advance for their training activities typically receive thousands of dollars annually in state funding. Formalized training plans and budget strategies allow companies to apply for and obtain training grants that would not be available to them otherwise.



Steps to Success: Budget, Plan and Formalize the process with accountability

<p>1. Link all training to business goals.</p>	<p>Develop a formal process for approving all training requests that describes the measurable outcomes to be achieved from the training. If the person requesting the training can't document specific improvements that will happen as a result of the training, then it is likely the training will be a waste of time and money. Requiring measurable outcomes to be defined prior to the start of any training <i>significantly</i> improves the chance the training will positively impact your business and will achieve a measurable return on the investment.</p>
<p>2. Budget for and plan training activities.</p>	<p>Develop a budgeting process where a specific portion of your annual operational budget is allotted for employee development. A standard benchmark is 2% of sales. Formalize this process by segmenting the budget by departments/teams. Empower your management team to spend the money any way they want as long as it is part of a plan that is directly tied to business goals established for their teams. A side benefit of this process is that companies with formalized plans and budgets had significantly lower turnover and higher morale than those who did not. The feeling that a company is willing to invest in their employees is a key factor in controlling employment turnover rates increasing morale.</p>

<p>3. Create mandatory competency-based curriculum.</p>	<p>Identify the core competencies that are critical to the success of your organization. After identifying the core competencies, develop mandatory training programs that address them. All training should have pre- and post-evaluation methods so employees who have mastered the competencies test out of the training and employees who need extra training to master a competency receive additional assistance.</p>
<p>4. Hold leadership accountable for developing their staff.</p>	<p>One of the best ways to hold individuals in leadership positions accountable for developing their staff is to integrate employee development into a company-wide formal performance appraisal system. By requiring management to report at least once a year on how they developed their staff, senior management sends a clear signal that employee development is important. Additionally, budgeted employee development funds should be monitored quarterly to ensure funds are being invested on identified plans. Leaders who fail to implement training plans or invest in their staff should be counseled.</p>

Related Tools: Resources to help you get started

Individual Training Request and Measurement Form

Download a copy at www.wednetpa.com/B&I.

Training Management Software

See it at www.worksware.com.

Sample Corporate & Department Training Plan and Budget

Download a copy at www.wednetpa.com/B&I.

Safety Training Outline and Plan

Download a copy at www.wednetpa.com/B&I.

This Best Practice Fact Sheet is available for download at www.wednetpa.com/B&I.

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