

Training in Tough Times

By Dr. Todd Thomas

One of the first actions of leaders in any organization facing economic distress and uncertainty is to examine profitability from a cost basis. When the revenue side of the balance sheet becomes overly challenged, efficiencies must usually be found in order to maintain the balance between investment and return. Because rapidly changing conditions can create a great deal of stress in the organization, executives and managers tend to begin to focus more readily on executable ideas that have immediate cost-savings results.

Unfortunately, the mentality of urgency and need-for-speed often drives us to make decisions that appear to be tactical but are ultimately strategic because of their long-term impact. One of the most common of these "quick-win" focused actions is the reduction of investment in training. This is a relatively easy decision for executives to make, is fast to implement, and has near immediate results from a cost basis. Unfortunately, the consequences of a generalized elimination of training activity can far outweigh the savings.

DO YOUR EMPLOYEES FEEL ENGAGED AND VALUED?

Many companies over the last few years have focused their success on their human capital. With sincere honesty, they have stated, "Our people are our greatest asset", and HR departments have created "people strategies" that include recruitment of the right skill sets, identification of core competencies, and the ongoing challenge and growth of talent. For many employees, the respect and opportunities shown through this focus on development are the primary reasons for their retention and engagement. Eliminating development opportunities is often the first sign for employees that it is time to move on to organizations that value their contribution.



DOES TRAINING AFFECT CUSTOMER RETENTION?

Training reduction in areas of customer contact also has immediate ramifications for at least two reasons. First, the skill level of those who have customer contact, rather through sales or after purchase service is a large determination of long-term customer retention. The most knowledgeable and expert salespeople are the ones who understand that relationships are the key to business. The truly customer-oriented service people know that the market is constantly changing and they have to stay on top of the learning curve. These are "people" skills that you cannot allow to deteriorate. Second, customers also feel the stress of your organization in difficult financial times. Rather than a reduction in training, your best immediate response is to increase the training of customer contact personnel. This will enable them to use new strategies and approaches to deal with customer complaints that just a few short months ago seemed not as severe.

LEADERSHIP EFFECTIVENESS AND CHANGE MANAGEMENT

While current challenges are talked about in comparison to the 1930s, or 1970s, or even 1990s, many leaders and managers have not experienced the multiple challenges of living in a global environment. These are the people who must collectively lead your company through the uncharted waters of 21st century volatility. The so-called soft skills of communication, leadership, team building, and trust are the very issues that will challenge you the most in the current environment. By eliminating these kinds of training, especially for leaders in your organization, you will decrease their effectiveness in rallying the troops and overcoming the ever-changing obstacles of the current business environment.

This is not to say that training budgets should be completely untouched or overlooked in turbulent conditions. In fact, now more than ever, you must make sure that time and money are not being wasted on ineffective or unnecessary training investments. Like any responsible cost decisions, you should examine the training activities and ask:

1. Are we focused on the right targets for the right people at the right time?
2. Are we using the right methodology for the best return on investment(ROI)?
3. Are we responsible and disciplined with our investments?

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WHAT CAN YOU DO NOW?

Focus on the right targets for the right people at the right time.

Your training should be explicitly linked to (a) your primary business objectives and initiatives (b) your customers' needs and expectations, (c) your key competitive process and (d) your employees' effectiveness and engagement.

These links should not be just through technical skill-based training. It is important to ensure that your leaders are effectively engaging the organization, communicating the key change messages, and establishing trust throughout the company.

Use the right methodology for the greatest ROI.

If you are being sensitive to costs in all areas, you are less likely to want to spend people constantly all over the country or world to attend workshops. Even if you are based in one location, traditional workshop based training can be a challenge because it involves time away from dealing with customers and other employees. When there is a need for dialogue or the topic is one where people can learn from the interaction with each other, take the time to have the workshop. This can be offset through judicious logistical decisions such as meeting in a central location or relating training to other opportunities where leaders and employees have to travel anyway.

It is also crucial to look at innovative approaches for delivering training. Webcasts, podcast, online training and just-in-time DVD/CD training are all methodologies that are cost effective when used to face specific needs in a timely manner. By utilizing multiple approaches, you can stretch each of your training dollars.



Be responsible and disciplined in your investments.

It is far more effective to spend a larger percentage of your budget on a small number of training initiatives than it is to spend a little bit of money on a lot of unfocused topics. Especially in challenging times, executives of an organization should take the time to decide exactly which areas are the most crucial for their business and provide adequate training in those limited areas.

Moreover, your organization may need now, more than ever, to enhance the skills of the marketing staff; or perhaps the primary training initiative should be on customer service. A focus on a few key areas will not only give you the greatest return on training investment, it will also communicate a message to your organization about where the key priorities lie. For example, if you are cutting back process costs, but maintaining (or growing?) your investment in customer service training, it is not hard to see that your organization is committed to satisfying its customers. These clear internal messages are powerful.

FOCUSED AND RESPONSIBLE TRAINING

Business environments will continue to go through changing opportunities and concerns. The real challenge for today's leaders is to remember that they need to do more than merely "survive" the current conditions; they need to come through those conditions in a stronger and more competitive position. Focused and responsible training can ensure your organization has the tools and the abilities it needs for maximum success.

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