

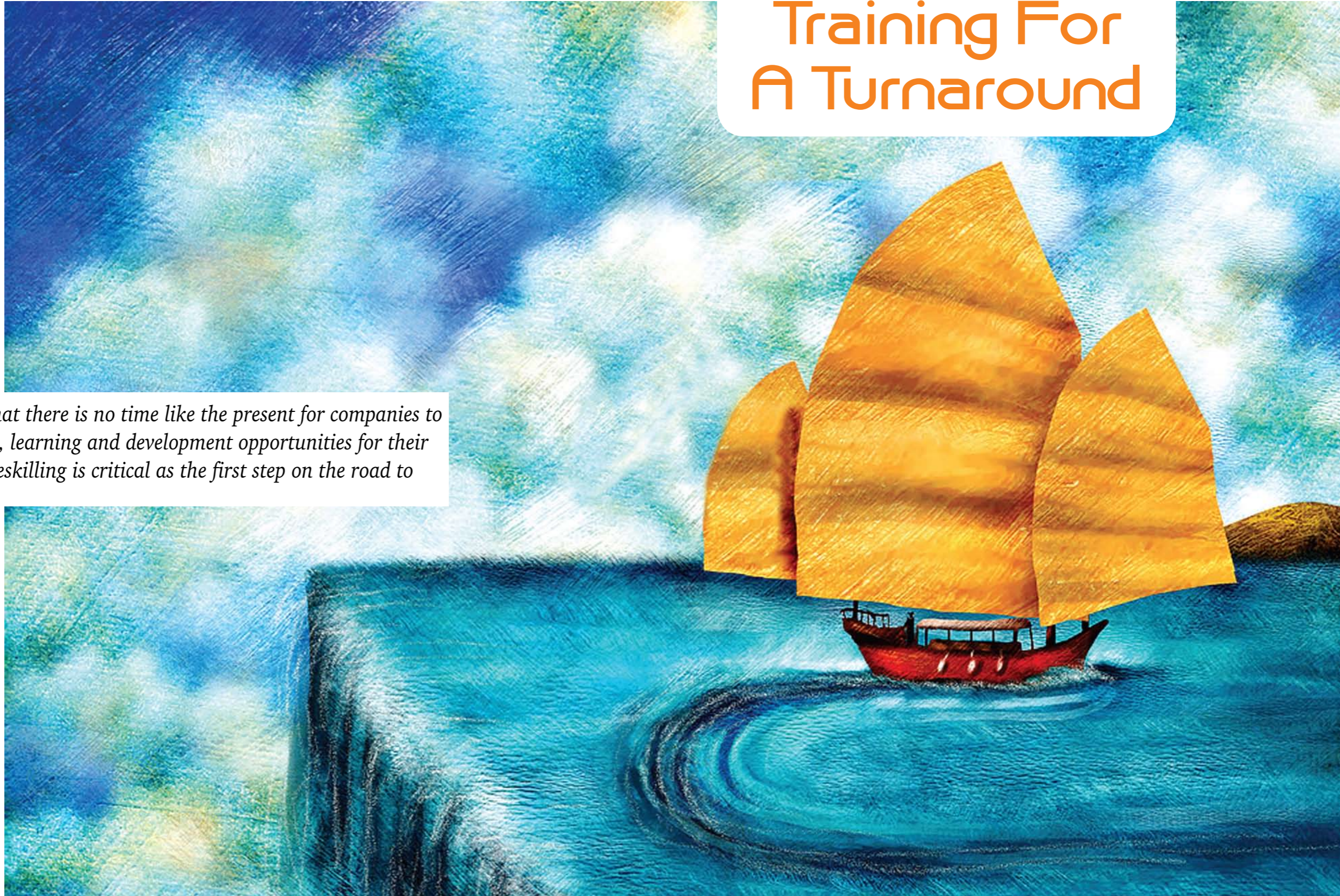
AS organisational leaders search for ways to cut costs, training and development budgets appear to be one of the most common items to face the axe. Taking the axe to learning and development, without some serious strategic thought, might however have a long-term negative impact on an organisation. True, adjustments may be needed and training department should cut costs just like everyone else, but we suggest the use of a precision scalpel instead of the axe. It will be prudent to take a hard look at the activity schedule and possibly do away with the 'nice-to-do' programmes and focus on those that are crucial for survival and growth. In a knowledge economy, we just cannot afford to let our human resources rust, recession or no recession.

Aditi Sharma affirms that there is no time like the present for companies to strongly advocate training, learning and development opportunities for their employees, and that this reskilling is critical as the first step on the road to economic recovery

We, at *The Human Factor*, strongly believe that the current economic situation is one of the best times for companies to advocate training, development and continuous learning opportunities for their employees. It is crucial that companies realise that the amount spent in learning and training for the employees is an investment, rather than a cost. It is a long-term process, and while the results of technical training may be visible comparatively sooner, most other types of training begin to show results only when employees have had a chance to implement their learning into day-to-day interactions and operations.

On the road to preparing for recovery, the wiser companies may want to gain an edge over their competitors so that they come out on top when the crisis is over. It is with this view that the concept of reskilling needs to be

Training For A Turnaround



brought in. There is no better time than the current for companies to give their people the skills that they will need as soon as the downturn passes. Not only will this help the smarter companies gain a sharp edge when the world markets start to recover, but this will also ensure that employees are more productive at the current time – they will get more work done through the same or lesser amount of resources. Moreover, the cost of training employees now is much lesser than recruiting new and untrained employees, since the existing lot of employees would anyway have the new skills required by the changed business environment. Dr. Herminia Ibarra, Director of the INSEAD Leadership Initiative, explains how continuation in training helps, “The best companies do not slash training budgets in a downturn because they know they have to develop people who can navigate rough waters and make sure they have a leadership bench ready for the inevitable upturn. Especially when it comes to leadership development, which naturally takes time, long-term vision is essential.”

Every company has certain key people it likes to call ‘star performers’. These are the employees whose skills sets, values, attitudes, aspirations and goal achievements correlate at the highest possible levels with the values and aspirations of the organisation. Simply put, such employees are invaluable to companies. When there is a slump in the economy, it is a known fact that there will be lesser work than usual for employees to do. This is because orders will come in slower than usual, and business will be hard to come



THE BEST COMPANIES DO NOT SLASH TRAINING BUDGETS IN A DOWNTURN *because they know that they have to develop a leadership bench that can navigate rough waters*

by at a time when cash flows are tight across most industries. During such tough times, it becomes all the more imperative to ensure that star performers are engaged and committed towards the company, even as competing firms will jump at any opportunity to lure them. It is here that training plays a huge role, keeping in mind the fact that such above-average performers remain mobile whether the economy is booming or in recession. They command a high price in the market, and deservedly so. If companies slash training budgets every time there is a slump in the economy, they risk losing credibility and loyalty, while getting themselves branded as bad employers at a time when it is most important for them to prove their commitment towards the workforce. Star performers will become disillusioned if they see one of the basic components of the employer branding package being taken away from them. This disillusionment may force them to look for more suitable options outside the organisation, and the cost of replacing such high performers for a company will be much more than providing learning and training opportunities for employee engagement even during lean times.

The morale of employees across many industries definitely is low at present. With the inevitable layoffs and salary cuts taking their toll, it is time for companies to prove their long-term commitment to employees by helping to rebuild their levels of confidence. For average employees, a dip in morale and motivation levels during times of slowdown is not likely to make them want to look for another job for the

Exclusive: Reskilling for Recovery - The Required Training Modules

Mark Graham Brown, leading expert on performance measurement and Balanced Scorecard, author of ‘Beyond the Balanced Scorecard: Improving Business Intelligence With Analytics’

- How to make ethical and environmentally conscious business decisions
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- How to measure and analyse risks (*financial, legal, reputational, environmental, etc.*)
- How to quickly adjust strategy when necessary
- How to eliminate waste and overheads without impacting the core business
- How to identify correlations between different measures of performance and use this to improve decision making
- How to quickly develop innovative products and services that wow customers and blow away the competition
- How to hire the best people and put them in the right jobs
- How to find the poor performers and get rid of them, or put them in jobs where they will succeed

simple reason that there are not too many jobs available in the market at present. The lack of enthusiasm will only lead to them doing their current jobs in a dissatisfactory manner, which may have far-reaching effects on profitability, the most critical one being the loss of existing customers. Dr. Pi Wen Looi, who has led a global research team for Hewitt’s Best Employers Study, says, “If you have had a layoff, some of your employees are likely to take on additional responsibilities and have increased workload. Sometimes employees are asked to take on roles that they are not trained for and are beyond their current capabilities. At best, this can result in employee resentment and burnt out. At worst, it can cost your company its reputation and lose its customers, as employees who are not trained for their role are more likely to make mistakes and the quality of products or services will suffer.” To avoid such a disastrous scenario from unfolding, training is the single most effective measure of keeping employees engaged when times are tough.

Hewitt Associates’ Global Best Employers Study has tried to answer the question of what makes a ‘best employer’ through its survey conducted every year. The company clearly says that “best employers have a commitment to people that is more substantial than the latest fad in employee benefits”, and that this trait of a best employer is “consistent across national culture, economic conditions, and political situations”. This would suggest that the current global economic downturn is no different a situation for those companies which take the responsibility for ‘taking care’ of their employees seriously. While the specifics of how this is done may vary across industries and regions, there is no doubt that training plays an imperative role in keeping star performers engaged at a time when the economy as a whole may be going through a tough time. Moreover, continuous learning opportunities reinforce the organisational values and commitment within the workforce and this especially helps in maintaining morale and motivation levels across all levels of employees.

It is important to note that variables such as commitment and motivation have been shown to translate concretely into training ROI for the companies. For instance, Hewitt’s survey of the best employers shows that ‘the best’ companies have average revenue and profit growth rates that are consistently higher than those in ‘the rest’. Andres Roberts, Founder and MD of Eudemonic (*a company that helps organisations use creativity to learn more powerfully*) gives examples of some companies that have got it right, “We should not stop investing in learning, training or development in a recession. The case studies prove it – Google continued to spend money when the dot-com bubble burst, and the result was a stratospheric climb to the top of the world. Apple continued to invest through the

EXCLUSIVE



Dr. Ted Maruszczak (*Employee Research Lead, Hewitt Associates*)

The key is for managers to understand and capitalise on this situation. The conversation needs to be, “this is a tough time, but this provides us with some opportunities and now is the time to take advantage and grow and I’ll help you do that.”

Internally focused programmes are less expensive than sending employees out for seminars and classes but there is a cost. The “cost” is managers’ time. Hard to put a dollar amount on this but it is worth the investment since it affords the opportunity for a change to a more high-performing and aligned culture.

last recession, leading to sensational innovations that took chunks out of the competition across personal computing, music distribution and now mobile telephones.”

If a company genuinely believes that ‘people are its most important assets’, then it should ensure that adequate resources are devoted towards mandatory training hours as well as increasing training budgets as per requirements. While it may be easier for a company to get away with its quota of training hours by providing necessary technical training to the employees, the onus lies on the HR team to include critical ‘soft’ skills training as part of the training calendar. This type of training could range from negotiation and bargaining specialisation for the lower levels to leadership and succession training for the senior levels of management.

However, with the downturn hitting harder than expected, operations have been affected across most industries. Companies are keen to explore alternative methods to high-end training – nothing fancy or with frills, they are looking for something that adds value and yet is cost-effective. We agree with this proposition – training does not need to be expensive. With technology as the

backbone, the options for companies to provide learning and development opportunities now come in various forms, with online learning leading the way as a preferred method of delivering training modules due to its cost-effectiveness in terms of travel time, travel costs and logistics. It is up to organisations now to prove their worth and provide their employees with access to as many training channels and programmes as possible. Dr. Ted Maruszczak, Global Employee Research Lead at Hewitt Associates, explains the issues involved here, “Continuing education in the way we have typically thought of it may not be feasible in a down economy. There are other ways to look at continuing education that

APPLE CONTINUED TO INVEST THROUGH THE LAST RECESSION, *leading to sensational innovations that took chunks out of the competition across personal computing*

might not cost as much, may be more realistic and change the culture of the organisation into a more learning and development focused orientation.”

There are, in fact, various alternatives available to high-end training, and the commonest of these is to develop in-house training specialisation, if the organisation has not already done so. This can be implemented through ‘train the trainer’ style workshops, wherein those employees who have an interest and aptitude for facilitating learning for their peers can be groomed as in-house specialists. These chosen employees and their managers can then work out a schedule that incorporates some hours devoted to such developmental activities every week or every month. Putting employees on job rotation is another oft-preferred means of providing training. This helps them gain cross-functional expertise, while catering to their needs of career advancement and continuous learning.

At the same time, the current business environment can serve as a good learning ground for team-building work that could perhaps not be implemented successfully earlier. With a relatively lesser workload on their hands, teams can be assigned specific business projects that can provide material for strategic development of the organisation as a whole, while helping employees train together. For instance, if a company had been delaying its entry into the Chinese market earlier because it simply did not have enough talented resources to assign the project to, now would be a good time for the senior management to put a team of the best individuals together and allow them to work on this. Reinforces Dr. Marusz, “Companies can provide development and growth opportunities through internal training, cross-unit or cross-business assignments, cross-function projects, high-reach goals, on-job coaching or multi-source feedback. Any programmes that help employees continue to grow and develop in their careers go a long way to maintaining and even improving morale, engagement and productivity for employees left behind after a layoff, especially top talent.” On a similar note, many organisations can also make use of mentoring and shadowing programmes, since managers can devote their time and energy to such projects now, when the numbers pressure is not constantly playing on their minds.

Alongside the tools mentioned above, there are various other small ways for an organisation to reap the benefits of a motivated and productive workforce, through opportunities for continuous learning in a downturn. Besides leadership and technical training, an economic slowdown is a good time for companies to provide education about the company culture and values. Even if the company has had to take the drastic step of layoffs, being honest with the

employees means a lot to them. It is so important to keep their morale high even during tough times, as this reflects directly on their productivity and their dealings with customers and outsiders. Paying for institutional membership at professional organisations and maintaining a mini-library at the workplace also constitutes training opportunities, and while these may not seem like extraordinary initiatives, they can work wonders on the motivation levels of your key employees.

There are important lessons here for training vendors as well. Service providers need to rethink about the services that they have been providing so far, and the requirements of clients at present. Most companies will feel that it is more beneficial to use external agencies for periodic or specific programmes, that is, only those programmes for which in-house specialisation is not enough. The training providers should agree to customise their programmes as far as possible in terms of length of training sessions, number of instructors or the timing of payment, in order to accommodate clients’ cost concerns.

But what really are the skills that employees require in a scenario like today, and more importantly, what skills do they need to come out of the downturn stronger than before? Dr. Looi answers this pertinent question, “I think the new skills that are important for employees and managers in the current business environment are ‘soft skills’, such as emphatic listening, being resourceful in finding information on the internet and validating the sources, and networking ability (*both online and in-person*) to build social networks and share knowledge.” In addition to this, it is critical for

organisations for provide training that helps individuals become more productive, manage their time better, and audit current processes and systems in order to reduce or eliminate those activities which utilise time and resources unnecessarily.

What companies could and should do now is to ensure that they stop treating training and development as a disposable cost that can be cut as soon as the economy hits a rough patch. They

have to understand that learning is a long-term process, and therefore needs to be treated like an investment. This investment has to be done in the right areas, instead of simply increasing training hours. HR managers have an important role to play in bringing the senior management on board – convincing the top brass about the concept and ensuring that it is followed through from pre-training to post-implementation. HR has to communicate the fact that there simply is no better way that makes the best utilisation of time and resources at present. Because it is only when HR takes the initiative to influence strategy does the function become ‘strategic’ HR.

**COMPANIES
CAN PROVIDE
DEVELOPMENT AND
GROWTH opportunities
through internal
training, cross-unit
business assignments, or
on-job coaching**

