HOW TO MAKE THE MOST OF YOUR TRAINING BUDGET

For many companies, this time of year is budget season. I know, you’re thinking...oh joy! Don’t remind me. But we bring this up for an important reason: the development of your employees. It’s pretty easy to view employee training as an expense to be managed: as just another line item or as an area to cut to balance your budget. But do you know the result of this mindset? It can create a reactionary culture of supervisors that wait to act until something negative happens. It can result in employees learning to take action after something is a problem, instead of planning to eliminate it. It can create misalignment in your company’s goals, take away from employee engagement, and bring about a culture you’re not exactly happy about.

A comprehensive training plan and training budget should be viewed as an investment...not just as an expense. Employee training doesn’t have to be cost prohibitive. And it can provide a measurable return on investment that not only justifies, but validates the expense.

To make the most of both cost and benefit, here are a few tips to keep in mind:

• **Determine the goal of the training program up front.** What do you want to accomplish? The clearer the outcome, the better the result. Do you want to reward or motivate employees? Do you want to “fix” them? Do you want to increase skill or knowledge? For example, if you have problems with communication, what examples do you have that demonstrate what you mean? What would your group, department, or company look like if the problem were resolved? Paint a verbal or visual picture of what this would sound or look like before starting any training.

• **Decide how it will benefit the employee as well as the company.** People are more likely to participate fully if they know there is a direct or indirect benefit to them. It could be a reduction in stress, the ability to get more done in less time, or a better relationship with coworkers.

• **Involve people at different levels or in different departments.** It’s so easy to create the feeling that an employee is in training as a “punishment,” or because he/she is doing something “wrong.” But that’s not what training is for. It’s to develop people. In addition, if one level of employees experience a training session without the involvement of their supervisors, it gives them an excuse to undermine the training. It ends up resulting in statements like, “Why should I have to do it when my supervisor doesn’t?”

• **Get measurable results.** When you determine what your goal is, discuss how you’re going to measure it. Reputable training companies can help you determine ways to gauge success. It may be tangible—production rates or intangible—employee morale, but it should have an outcome measure.

• **Determine what will keep it going.** A training plan should include a way to keep the saw sharp. Even the most motivated, highly skilled employees need refreshers to maintain proficiency. Employee development plans and an effective training strategy can help ensure productivity stays high. Studies show that the long-term benefits of training will fade if trainees are not engaged in the material or not being held accountable in a consistent way. We’ve all heard the term “use it or lose it.” That couldn’t be more accurate in this situation, and the effort and capital expended on employee development can become lost if, over time, the expectation goes away.

• **Partner with a company who can provide multiple options to meet your objective.** Face-to-face sessions are still considered to be the most effective. And a progressive training company should be able to offer that in multiple locations, or provide web conferencing or teleconference training to support staff in distant locations to make the best use of time and money.

Having a functional training budget is a critical component to your corporate strategy. Properly managed, it can provide some of the best ROI in your business. For most businesses, labor costs make up a large portion of the budget. Don't let this valuable asset depreciate because you failed to provide proper maintenance.