

Explore connection between training, bottom line

By KRISTINE PORTER
Business Journal Staff

In a down economy, cutting employee training and development is not the answer to cutting costs in a company, said Pedro Anes, president of the Eastern Pennsylvania Chapter of the American Society for Training and Development.

Anes said that additional employee training could raise a company's profitability. "At the end of the day, there is a clear connection between employees with additional training and the bottom line," Anes said. "When people are challenged, they are better employees. You have to invest in people and talent."

According to the ASTD State of the Industry Report for 2007, companies responding to the survey reported improvements in several areas including productivity, employee retention, and safety, as well as overall profitability and performance. From the category of companies referred to as ASTD BEST Award Winners, the report said information technology (IT) companies saw the greatest effectiveness in cycle time reduction and overall profitability.

In discussing one BEST Award Winner, ASTD reported, "One organization determined overall profitability by using return on investment (ROI) calculation and realized a 16 percent ROI and \$86,000 savings on one system training launch and a 79 percent ROI with savings of more than \$400,000 on another."

Productivity increased also. The report said one IT company discovered a 93 percent increase in schedule adherence when the company adopted Six Sigma and LEAN methodologies. A manufacturing company reported to ASTD "a productivity increase caused by improvements in safety training. The effect was a 6 percent increase in quality units per shift, or an additional 6 million units produced without additional staff. Another BEST organization saw productivity improvements for 70 percent of staff participating in targeted learning, and customer service increases of 7 (percent) to 22 percent per individual."

Anes said the Eastern Pennsylvania Chapter has many qualified instructors in the Lehigh Valley. By enlisting the assistance of a Lehigh Valley instructor, companies can save more training dollars than if it hires an instructor to travel to the area or have employees travel to the presenter, he said.

"We have an enormous amount of talent in the Lehigh Valley," Anes said. "If a company is going to spend the extra money for training, then the savings should come from here."

Younger generations, including people in their 30s and 40s, do not consider salary to be the sole determination in job satisfaction, Anes said. They want additional training in order to move up in their companies and to stay competitive in the market.

“Money is not the motivation,” he said. “They want learning opportunities that can lead to growth in these companies.”

The Eastern Pennsylvania Chapter of ASTD has been in the Lehigh Valley for 46 years with 180 members, Anes said. The chapter is planning a membership drive during its conference on Dec. 11 at Best Western Lehigh Valley Hotel and Conference Center. The conference is held in conjunction with a celebration of Employee Learning Week from Dec. 8 to 12.

The chapter is also planning its sixth annual CEO Forum to be held April 16, Anes said. The event will be hosted by C.F. Martin & Co., the producer of Martin guitars. The talk will be about how Martin overcame a business challenge and how training affected the bottom line for them.

Anes hopes to expand the chapter’s membership and instructors from the Lehigh Valley, Poconos and the other areas in Northeast Pennsylvania. A list of instructors and chapter information can be found on the Web site www.easternpa.astd.org.

“There are over 5,000 workplace learning and performance professionals and benefactors throughout the Lehigh Valley, Poconos and Northeastern Pennsylvania,” Anes said. “Imagine the possibilities when the collective talents, leadership, consulting and training skills of 5,000-plus WLP professionals come together to affect meaningful workplace learning and professional development.”