

## **New Research Shows Training Yields Major Benefits to Business**

Businesses can be sure that every dollar spent on training is a dollar well spent, with a return which can be many times the investment, provided they undertake the right kind of training.

A sound basis for training investment is revealed in a series of research reports released by the National Centre for Vocational Education Research (NCVER).

The Managing Director of NCVER, Chris Robinson, says that a series of closely monitored training programs have demonstrated the value of training which is well planned, well conducted and appropriate for the staff who are trained.

The major points to emerge from the research include:

### **Returns from training investments are nearly always positive and can be very high.**

Case studies of individual firms found that returns varied between 30 percent and 7,000 percent.

- A rail company which implemented a driver-training program realized savings in fuel economy from the smoother driving techniques learned by the drivers which reflected a 30 percent return on the costs of mounting the training.
- A chemical manufacturing firm implemented a comprehensive health and safety training program for all its employees which resulted in significant reduction in lost time accidents and in work cover premiums for the company, and a return on their training investment over 1,200 percent.
- A welfare organization implemented employee relations training which saw reductions in staff turnover of up to 70 per cent and a return on its training investment of over 7,000 per cent.

### **Returns can come in many forms.**

- There is more to it than just looking at productivity and profitability.
- More employees able to perform a range of tasks.
- Reduced overheads through greater flexibility.
- Greater ability to innovate through new technology and better forms of work organization.

The Leadership Journey is a supervisory, management, and leadership training system consisting of 24 courses delivered on DVD, CD-ROM, VHS, and Online.

**Returns are highest when the training is highly focused.**

Training pays when it is focused on a specific business problem, such as high staff turnover in the example quoted above. Training that is short and sharp also pays higher returns, as does training that is linked to innovation, particularly technological change.

**Returns to training can be enhanced by other human resources policies in the firm.**

Human resource practices that encourage staff to remain with the firm after training can enhance returns to training. Typical practices include promoting staff from within rather than external recruitment and the development of broad skills sets amongst employees such as leadership, team-building and other generic skills.

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