**Value of Education and the Cost of Doing Nothing**

*By Sue Schauls*

Business owners intuitively understand the value of a skilled employee, yet many companies fail to realize the benefits that training can make in an organization. Worse, leaders underestimate the high cost of not training. IBM recently published a white paper on the “Value of Training and High Cost of Doing Nothing1” the insights applicable outside the IT industry are paraphrased throughout this article. Business areas which are directly impacted by employee skill include:

• Increased productivity

• Stricter adherence to company policies

• Improved customer satisfaction

• Increased employee morale and retention

• Increased revenue

**The high cost of doing nothing**

Untrained workers will have increased down-time and rework as part of their “learning curve.” Do not under-estimate the cost of co-worker distraction. We’ve all had jobs that we go home feeling like we should have been paid for doing “Sally’s” work! That is why training affects employee retention. According to the American Society for Training & Development, 41% of employees at companies with inadequate training programs plan to leave within a year versus 12% of employees at companies who provide excellent training and professional development programs.2

 **“There is no saturation point in education.” – IBM Founder Thomas J. Watson, Sr.**

Training benefits that can provide a measurable return on investment are revenue generation, productivity, performance improvement and cost-reduction. To determine the best training methods for your organization to maximize returns on investments, develop a training program which matches business needs and types of students with available training methods. In addition to traditional classroom training, alternative methods can provide effective skills development, particularly if the student type is effectively matched to the training method. Blended-learning, combining traditional instructor-led training with self-paced learning, may provide a cost-effective way to develop skills that match or exceed instructor-only training.

**Classroom training**

According to IDC, classroom training will continue to dominate training delivery methods until 2012.3 Classroom training is ideal for complex applications and is well- suited for new users who have not developed a basic understanding of the concept or software application. Classroom training provides a high level of communication and feedback with the instructor. Classroom training typically teaches to the student with the lowest skill set, and training is typically generic and “out-of the box.” Classroom training is typically the most expensive method for training. In addition to tuition, travel costs add significantly to the base expense.

**Onsite training**

For groups of six or more, customized onsite training is typically more cost effective than public classroom delivery. Instruction will focus on company specific priorities and topics, reducing the time devoted to generic topics. Travel and living expenses, including employee downtime can be eliminated or reduced.

**Conferences**

Conferences provide a training method that allows students to quickly develop skills on a number of topics. Unlike traditional training, conferences provide tracks for multiple job roles or skill set levels. Most conferences also provide “deep dive” sessions which allow attendees to develop essential skills and communicate directly with industry and/or product experts. Conferences also provide attendees with insight into key business issues and emerging technologies. Vendor trade shows can help attendees improve their knowledge about new and emerging products in the industry. The conference format also provides a setting for attendees to interact directly with vendors, peers and experts. Depending on the scheduled time and location, conference costs may be significant. Although tuition is typically less expensive than comparable classroom training, travel costs may double the cost of the actual conference.

**E-learning modules**

E-learning allows students to learn independently and repeat exercises to reinforce or refresh their understanding of the content. Available 24x7 at the learner’s convenience, self-paced e-learning provides an alternative to classroom teaching for students. The format is suited for onsite and remote users with basic computer literacy who also have the discipline to complete the training without interruption.

**Develop a plan to integrate training**

To fully capture the value training can provide, organizations should develop a training plan that matches student capabilities to training methods and needs. The training plan should include an instrument to measure the return on investment in categories such as productivity or revenue gains, reduced co-worker interruption, improved customer service, compliance and increased employee morale/retention.

The training plan component is first. Then training occurs. Most important is integration. Training that adds value occurs when there is an infrastructure in place that supports the learner's application of what has been learned4. While we normally think of infrastructure as equipment, it can also refer to elements like time. For example, a dismantler attending a seminar on safe hoist maintenance and inspection will only be able to use what has been learned if they have sufficient time to do so. Getting value from training requires planning, administration and integration. While getting value should be a shared responsibility on the part of attendees and manager, the manager plays a critical role in helping to create the conditions under which training will add value.

REFERENCE:

1 <https://www-304.ibm.com/jct03001c/services/learning/za/pdfs/ibm_white_paper-value_of_training.pdf> , David Leaser, IBM Lotus Education.

2 American Society for Training & Development, 2003.

3 IDC Worldwide and U.S. IT Education and Training 2008–2012 Forecast - Growth Though Situation Tenuous, Doc # 211332, March 2008.

4 <http://work911.com/articles/getvaluetraining.htm>



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