

## **HR SPEND; GARNERING TRUE ROI FROM SKILLS DEVELOPMENT**

*Issued by The Old Shanghai Firecracker Factory*

Skills Development is essential for South Africa's economic growth. This is an undeniable fact. However, this is not the only benefit. Profit corporations, while being concerned about the economic climate of the country, are generally only interested in this climate to the point where it stops affecting their businesses and profitability. To sell Skills Development as 'for the greater good of the country' is therefore ineffective when forgetting to mention the other advantages it creates. Following a path of 'compliance' leads to short sighted and arbitrary skills planning that frequently makes matters worse.

While it is clear that national policy is placing a focus on Skills Development, there is certainly still much room for improvement. According to Gizelle McIntyre, Director of The Institute for People Development, while some positive strides have been taken, Skills Development still does not have the focus, clarity and drive necessary to make a real difference. "A clear comparison can be drawn when considering the implementation of a new IT system. Should a new system be required, an IT specialist is brought in without question to ensure that the implementation is successful; professional assistance is sought. Why then do companies expect return on investment (ROI) when they do not utilise Skills Development expertise and Learning and Development (L&D) specialists to handle their skills development strategies and systems?"

In the realm of Education, Training and Development (ETD), there are two vital elements to training; firstly, the training of the trainers or facilitators and, secondly, the utilisation of ETD within an organisation as a whole by ETD or L&D Practitioners, who are much more than trainers only. "The current constraint preventing organisations from professionalising their trainers is that there aren't enough L&D professionals employed at a strategic level. This results in clerks being left to make what should be strategic training and development decisions – Skills Development is a specialised field that requires a specialist to develop a strategic plan," believes McIntyre. The level of ETD within organisations also appears to depend largely on the strategic intent of the company with regards to skills; is management focussed on buying skills or is it hiring talent with a strategy to grow skills?

Essentially, however, it would be foolish to believe that even when spending large budgets on purchasing skills, further training will not be required. "Any new employee, regardless of their hierarchical level, will need some training – from something as simple as learning to understand the culture of the organisation to something as complicated as a technical skill specifically required due to the intellectual property of the organisation," confirms McIntyre. "There is a big difference between having knowledge of something and actually understanding and applying the knowledge in practice." A brain surgeon, for example, studies for years in theory – but she won't really know how to perform neurosurgery until she has learnt to do so practically, and hopefully not 'Just in Time'; the current commonly-utilised phrase for training within companies.

When considering training options, many corporations will evaluate whether measurable ROI will emanate from Skills Development; no company wants to spend money for nothing. According to McIntyre; "Training, if done through the correct channels and targeted at actual skills gaps, will always result in ROI. Unfortunately, most organisations look only to the rands and cents evaluation of ROI, but this isn't the only measurement tool." There is, of course, the obvious ROI in monetary terms; a salesperson is sent on sales training and increases sales – easy to measure, money in the bank. But what about the manager with poor people skills that is costing his corporation R50 000 a year in recruitment fees due to high staff turnover? Being trained in softer skills and enabled to deal effectively with people means that the manager will no longer cost the company money –

corporations must learn to view ROI from both sides; money making and cost saving. “Personally, my measure of ROI is if I send a staff member for training and three months down the line, even when no one is micro-managing him, he still does the job right.”

An important consideration to make when requiring ROI from training is the level of competence of the ETD facilitators. The facilitator’s role is critical in ensuring ROI is attained. “A good facilitator will function within a process which creates an environment conducive to learning and the understanding that skills need to be practiced in the real world to make them stick. A facilitator must be a subject matter expert in relation to what they are teaching, but more importantly must have the tools and techniques required to transfer the learning from a manual to the learners so that they, as individuals, can do the job. Group cooperative techniques, the ability to manage discipline, diversity and conflict management are a few examples. It is about method, not magic – personality can gain attention, but you cannot impart valuable knowledge and transfer it into skills without the correct method,” says McIntyre.

Ensuring training is efficient and effective can be achieved through the application of two simple considerations. “Firstly, contract the services of qualified facilitators that have ETD qualifications *and* experience. This experience should relate directly to the industry in which the corporation requiring training functions,” concludes McIntyre. “Secondly, the facilitators should consider a cooperative learning approach – treat learners as though they already have knowledge and experience; the more you expect as a facilitator the more learners will give.”