

From Dr. Mark Erenburg, [KAFF Systems](#) ...

Training & Development – *Not an Expense but an Investment*

Staffing — the recruitment, selection and appraisal of employees — is the initial building block in the development and maintenance of an effective workforce. However, to protect the time and money committed to staffing, new as well as continuing employees must be provided with training and development that will nurture and strengthen their skills. Given today's rapidly changing technology and work environment, employees need *continuous* training to maintain and sharpen their skills and knowledge; to motivate them to work even more effectively; and, to build loyalty and commitment by linking their goals more closely with those of the organization.

But, don't think of training as an expense! Expenditures on training and development are best viewed as investment in human capital. Just as businesses regularly spend money on new plant and equipment and to keep that plant and equipment operating efficiently (i.e., maintenance), they should also spend money on acquiring and training human resources to take advantage of their skills, knowledge and abilities and to keep them working efficiently and effectively. Just as businesses have always carefully weighed the costs versus the benefits of investment in plant and equipment when making decisions, they should also weigh the costs versus benefits of investment in human capital. Some businesses do ... many do not. In other words, when deciding how much to deliver and what the content should be and how and when it should be delivered, training and development decisions must be treated like any other investment ... weighing costs, benefits and an R.O.I. (return on investment) against other uses of business capital.

The numbers are staggering ... especially because many businesses have yet to recognize that investment in employees (i.e., training and development) should be treated like other investments. Each year, U. S. businesses spend over \$60 billion on 1.7 billion hours of formal training for 55 million individuals. In addition, another \$180 billion is spent annually on informal instruction (tutoring, mentoring, on-the-job training). *Why would any organization not carefully evaluate the need for, the delivery of, and the impact of such an important investment?*

The training and development process must go far beyond merely creating and delivering curriculum. An entire system is required: Assessing needs, Developing and Implementing the training/development, Evaluating results, and Modifying the training. Note that a training and development system equires *quantifiable measures* to work effectively just as do all other business systems. Assessing training needs without specific focus and weighting, developing and delivering training without clear time and effort measures, evaluating training without standards and measures and modifying training without careful evaluation information prevents "rational" decisions about training and development in an ever-more competitive marketplace. As you consider training and development for your organization, you should be aware of all parts of this training and development system and be aware of how measurement and rational cost-benefit decision-making can be incorporated.

Of course, besides job skill training and employee development, there are always a number of specialized training initiatives in the pipeline: Compliance training (workplace violence and sexual harassment prevention, for example); Orientation training, Diversity training, Basic Skill training (ABL – adult basic literacy training); IT training (Informational Technology training), Personal Development training and Team training.

Interested in reading a bit more? Try [this article](#) on training ROI from [HR.COM](#).

KAFF Systems treats training and development as an investment in human capital. If we can help you realize a better return from every training dollar, please call or email.