



STOP WASTING MONEY ON TRAINING

ASTD Webinar

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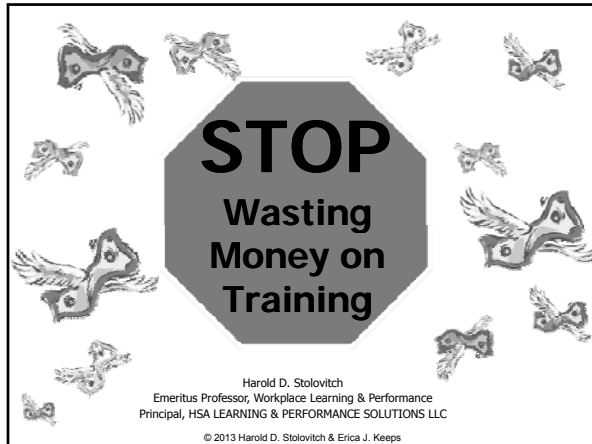
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“I need a training program on...”

We’re implementing a new system. We need to bring everyone up to speed.

The quality of our customer service is dropping. We’ve got to clean up our act!

They aren’t selling the new product.

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Training Makes a Difference!

- Leading companies: \$1655/employee
- Industry average: \$677/employee
- Leading companies:
 - Gross margin: +24%
 - Income per employee: +218%
 - Price to book value: +6%

L.J. Bassi, J. Ludwig, D.P. Mc Murrer & M. Van Buren. (2000). *Profiting From Learning: Firms’ Investments in Education and Training Pay Off: Research White Paper*. ASTD. Alexandria, VA.

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KAM Portfolio

	1997	1998	1999	2000	2001	Cumulative
KAM Portfolio	35.9%	38.0%	17.6%	1.4%	-3.7%	113.1%
S&P 500	31.0%	26.7%	19.5%	-10.1%	-13.1%	55.0%

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**PMP and Financial Results
1990 – 1999 (206 companies)**

Financial Factor	Hi PMP Cos.	Lo PMP Cos.
Sales Growth	17.2	7.7
Profit Growth	19.1	4.8
Profit margin	6.6	3.5
Growth earnings/share	11.4	5.1
Total return to shareholders	20.1	9.1

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**PMP and Financial Results
2000 – 2004 (212 companies)**

Financial Factor	Hi PMP Cos.	Lo PMP Cos.
Sales Growth	6.7	0.3
Profit Growth	-15.4	-58.8

D.J. Kravetz. (2004). *Measuring Human Capital*. Kravetz Assoc. Publications: Scottsdale, AZ.

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Research study: ROI on training (Institute of the Motor Industry, July 2011)

- ROI : 98% -187% -- raised technical standards, professional status; productivity; profitability; customer confidence.
- 2010, 1 yr. post ATA accreditation, returned parts fell significantly: ROI =136%.
- ATA technicians 7% more gross profit than non-ATA
- For £1 invested in ATA, first year benefit = £2
- Hi correlation: service advisor CSI scores and ATA certification

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Training Investments as a Predictor of Banks' Subsequent Stock Performance (Bassi & McMurrer, 2009)




- "Using training data to predict the subsequent year's relative stock market performance...yielded an adjusted R-squared indicating that 21 % of the variation in relative stock market performance can be explained in training expenditures per employee..."
- "...data on training expenditures for two consecutive years...adjusted R-squared is 0.49...almost half the variation...predicted by the change in training expenditure...from the previous year." [10 different banks]

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So, Let' s train...Right?...
Wrong?... Maybe?


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A session in 3 acts

- To train or not to train... 
- Necessary but insufficient 
- Telling ain' t training 

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What is my greatest performance block?

I would perform better if (choose only one): 

- 1. I knew what the exact expectations of the job were and had more specific job feedback and better access to information.
- 2. I had better tools and resources to work with.
- 3. I had better financial and non-financial incentives/consequences for doing my work.
- 4. I received more and better training to do my job.
- 5. My personal characteristics and capabilities better matched the job.
- 6. I cared more and really wanted to do my job better.

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Are you normal?

	1.Information	2.Resources	3.Incentives/Consequences
Environment			
	4.Knowledge/Skills	5.Capacity	6.Motivation
Individual			

Human Competence: Engineering Worthy Performance - T.F. Gilbert (1996)

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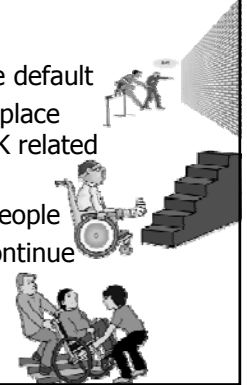
Performance Principles

1. Lack of performance in the workplace is far more frequently caused by environmental rather than individual factors.
2. Nevertheless we continue trying to fix the individual rather than the environment.
3. It is cheaper and easier to fix the environment.

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Key messages

1. Training -- often the default
2. 70% - 80% of workplace performance not S/K related
3. Cheaper to fix the environment than people
4. Nevertheless, we continue to try to fix people



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Let's suppose training is appropriate...

Is it sufficient?

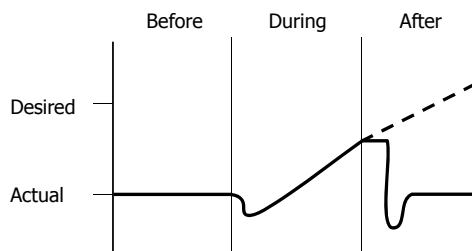
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You still may have to fix the environment.

- Set clear expectations.
- Provide performance feedback.
- Provide appropriate incentives / consequences.
- Provide support.
- etc.

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The story of transfer



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Common quotes on transfer

- Most of the investment in organizational training and development is wasted because most of the knowledge and skills gained in training (well over 80% some estimates) is not fully applied by those employees on the job.

Mary Broad and John Newstrom, 1992 *Transfer of Training*



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- American industries annually spend more than \$100 billion on training... not more than 10% of the expenditures actually result in transfer to the job.

Timothy T. Baldwin and J. Kevin Ford, 1988, reconfirmed by Ford and Daniel A. Weissbein, 1997, *Transfer of Training: an Updated Review and Analysis*



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- Research as recent as 2000 finds that transfer rates from training as a single solution range from 10 to 30 percent, with most on the low end.

Mary Broad, 2005 *Beyond Transfer of Training: Engaging Systems to Improve Performance*



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“... The literature on workplace transfer of training overwhelmingly suggests that the majority of what is taught during training does not show up back on the job in terms of changes behaviors and results.”

Divya Bhatil, 2007. *Factors That Influence Transfer of Hazardous Materials Training.*

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	Before	During	After
Manager			
Trainer			
Trainee			

(Broad & Newstrom, 1992)

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What Can We do to Increase Transfer

- Focus on the supervisor
 - Before – to prepare trainee
 - After – to debrief and support trainee
- Analyze job needs and design training that is learner-centered, performance-based to match needs
- Create job aids and tool; build in sufficient practice and feedback

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- Create job aids and tool; build in sufficient practice and feedback
- Build monitoring and support systems
- Demonstrate value to the supervisor - WIIFM

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Key messages

- Training -- often a one-shot injection
- Rarely has staying power
- What we do before and after training more important than training itself
- Training alone rarely sufficient
- Implementation and on-the-job support – essential – especially from the supervisor

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But what about training itself?

TELLING AIN'T TRAINING



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What is our major mission?

- To transmit information
- To transform performance capability

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I learn best when...

Column A	or	Column B
<input type="checkbox"/> someone who knows something I don't, explains and describes it to me.		<input type="checkbox"/> I dialogue, question and discuss with someone who knows something I don't.
<input type="checkbox"/> I observe a demonstration.		<input type="checkbox"/> I get involved and try things out during a demonstration.
<input type="checkbox"/> I attend lectures in which an instructor presents information to me.		<input type="checkbox"/> I attend sessions in which an instructor engages me in a two-way interaction.
<input type="checkbox"/> what is presented to me is organized according to the logic of the content.		<input type="checkbox"/> what is presented to me is organized according to the logic of how I learn.
<input type="checkbox"/> I am told how things work.		<input type="checkbox"/> I experience how things work.

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Were most of your selections from Column A or Column B

A

B

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○

- As a learner, we know what is right.
- As an trainer, we often do what is wrong.

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○ **15 seconds to mastery**

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○

Did you do better on the first or the second?

First Second

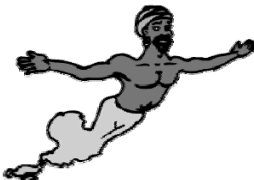
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○

The key to effective training is meaningful structure.

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○ **Tales of the Corporate Nights**



- Paying for Upgrades
- The Miracle 3-Minute Drill
- Tenure, Anyone?

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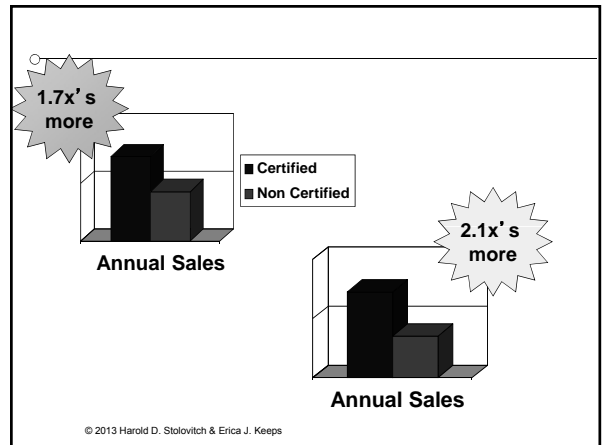
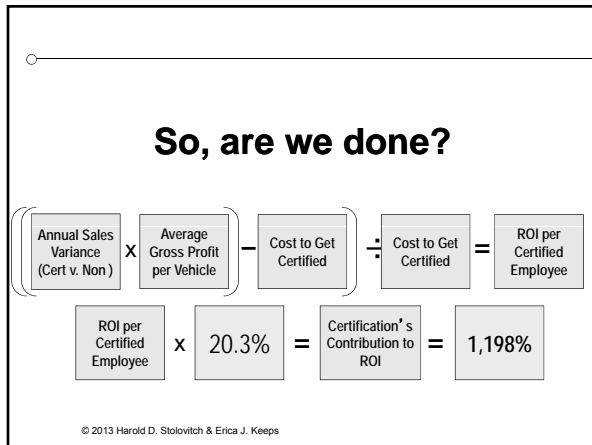
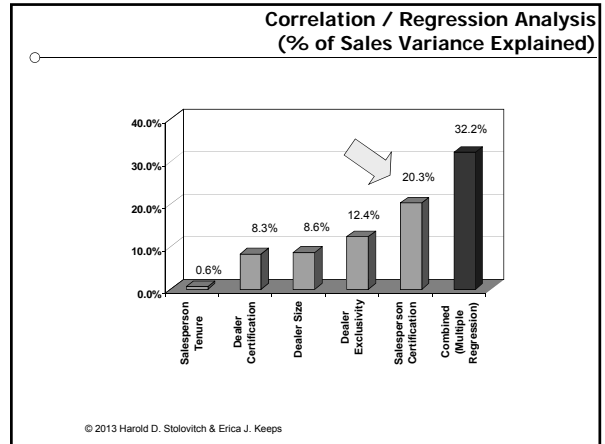
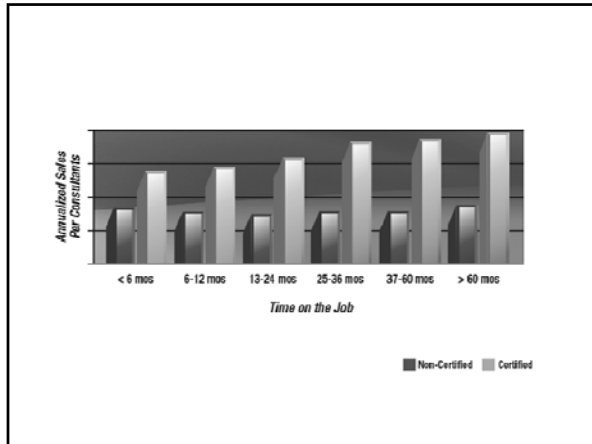
○ **“Certified” people outperformed “Non Certified” ones**



Metric	Certified	Non Certified
Annual Sales / Parts Dept. Employee	High	Low
Customer Satisfaction	High	Low
Annual Sales Volume / Sales Consultant	High	Low

■ Certified
■ Non Certified

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\$53,650 ADDITIONAL Annual Gross Profit PER Consultant





- Four Key Questions**
1. What triggered the request?
 2. Imagine that everyone was performing perfectly. What would be happening that isn't happening now?
 3. How are people performing now? What is lacking compared to what the ideal state should be?

4. What would prove that desired performance has been attained?

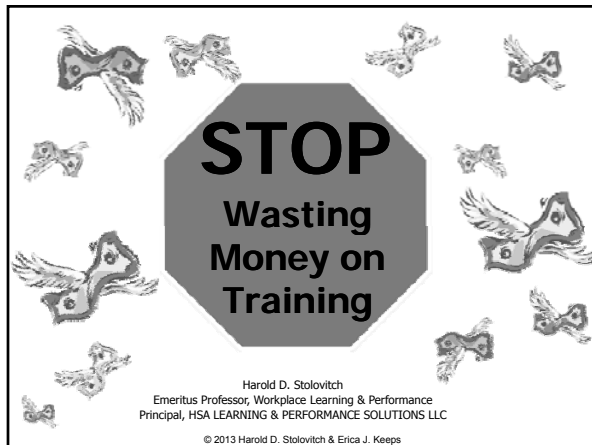
Success Criteria	Measure/Metrics

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Key messages

- Performance is the target 
- Performance: valued accomplishment derived from costly behavior 
- Training very costly behavior
 Design ●● Development ●●
 Delivery ●● Testing ●● Tracking
- Training sometimes necessary, but rarely sufficient  

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Telling Ain't Training Event

2013 Schedule

- March 21-22 in Las Vegas, NV
- July 9-10 in Denver, CO
- September 16-17 in Chicago, IL
- October 8-9 in Arlington, VA
- December 4-5 in Atlanta, GA

Learn more at astd.org/2013tat

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