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Cutting Training & Development Budgets in Turbulent Times

This article touches on the need of continued focus on T&D in turbulent times and understanding the nuisances of making it more relevant to stakeholders and also discusses some innovative and practical ideas to make T&D more meaningful and cost effective during the high pressure times of bottom lines

Srinivas Rao K

Turbulent Times bring along with them the need for some innovative measures which unfortunately take the shape of drastic measures as many times we decide to choose what is “Easy Way Out” rather than what is “Right Way Out”.

“Easy Way Out” during turbulent time generally decodes into cost cutting, as cost cutting not only shows early results but also adds to the drama of displaying some hard core action which many stakeholders are looking forward to. Cost cutting in people practices generally starts with cutting down the Training & Development budgets and ending with asking employees to go home.

But seldom do we realize that Cutting Training & Development budgets in Turbulent Times is a classic example of this “Easy Way Out” and is aptly reflected as “due to cost cutting, the light at the end of the tunnel has been switched off !!!”, which interprets and displays our amateurship, pessimistic, knee jerk perspective in times of crisis.

The question that arises here is that is “**Why T&D lights are the often one which switched off early**” during any turbulent times. Some observations which may directly / indirectly lead to this sentiment can be summarized as:

- **Training is perceived as “PERK”**

Training has been branded and perceived in many organizations as a PERK / Privilege to a chosen few. The choice of employees who could go to these programs can be the near or dear ones of the decision makers, or employees who are critical / crucial and bosses feel the need to pamper them rather than purely need based.

In any turbulent time the first on the axing block are perks which are considered as a flab / fad. Unfortunately Training falls into this category and has to suffer the consequence.

- **Business Relevance – “What’s that”**

Training champions have often confide themselves to books, academics, methodologies etc and thereby failed to focus on the need for aligning the content of the program to the business objectives and goals, even if they have aligned the same they have failed to market that way. On the other hand they have also failed to integrate with the mindset of business leaders.

Net Net the result has been that training is often perceived as extra crucial activities in an organization run by folks who have a higher academic bend of mind. So in any turbulent time when the backing from business is required for investments, training often finds itself in a vacuum where it has to fend for itself with no support coming from crucial business leaders / decision makers.

- **Training programs are filling calendar dates – “Quantum as metrics”**

A reason for quantity / quantum in training overshadowing any other parameter is because traditionally the metrics to measure Training has been “Training Man days” / “Man-hours”. This hangover of quantity has often resulted in the perception that training is more of an art of filling calendar days and making the calendar more colorful rather than other parameters like “contribution” or “deliverables”.

Quantity being the metrics which overbears other training is perceived as “COST” and not “INVESTMENT” and thereby falls as an easy prey for cost cutting, as substantial gains can be highlighted with the least bloodshed here.

- **Feedback – “It’s about Food more often than content (food for thought)”**

The next question that arise why there is least bloodshed when it comes to cutting cost with training, one of the reasons lies in the Feedback mechanism, feedback mechanism fail to show “contributions” from the training programs. More than often post training feedback gets inclined towards the ambience of the classroom, food that was served, the second on the priority list would come is the nature and friendliness of faculty, then would come the knowledge of faculty and finally the feedback on content, relevance and tangible learning’s.

Since the feedback is not tracked to the faculty deliverables or to the improvement of the performance of the participant over a period of time, trainings are perceived as a Cost and extracurricular activity where employees get some off time, a good place to spend time etc. rather a serious venture which leads to better business in turbulent times.

- **Feedback loop – “How does it help build my career”**

Many of the Training programs are not tracked / linked to the performance level of participants in a tangible fashion, more than often these training programs come as ad hoc measures to build some skills or to comply with some goals of corporate mandate. Since the participants don't see much value in because of lack of alignment to their career goals / aspirations their seriousness in attending and learning from the same is reduced to their mere physical presence.

Any ad hoc activity which doesn't impact individual's careers or department performance or in attaining the larger goals & vision of organization is perceived as extra flab and is susceptible to axing as we can't build a momentum among employees who will act as brand ambassadress or advocate for it.

The next crucial piece in our discussion is to understand **“why the Light shouldn't be switched off on training”**. Why it is important that we ensure that we have steady fast focus on training in spite of pressures on the bottom-line. Let's explore some of the compelling reasons for ensuring that Training remains a top priority:

- **What goes down will eventually go up.**

It sounds amateurish to sacrifice long term dreams which may require investments for short term savings. On one hand change in economic landscape often brings about a need for building new set of skills in the short term perspectives to manage rapid changes and training can lend a big helping hand in there, on the other hand for an long term perspective investing towards enhancing learning and development opportunities is essential during these times as those who ignore this will be left behind when market rebounds.

- **Employee Morale**

In uncertain and turbulent times the employee morale hits low, there are concerns ranging from the fact whether they will retain their jobs to whether they have a future which is secured and growth oriented. Training can act as a big rock in here, as any employee nominated for training in turbulent times sees it as a message that they are wanted by the organization, they are valuable and hence investment is being made on them, in short its acts as a big morale booster for not only those employees who are attending these programs but to also those who were considered / or are a peer group to these employees.

- **Business as usual for stakeholders / clients**

Investments in training not only signals that the organization is confident of good times ahead and getting ready for it but also sends a strong signal to all the stakeholders and clients that is business as usual and the organization is not in a panic / knee jerk reaction and has strong fundamentals in place.

- **Attract Talent**

Any movement / activities which are not insync with the industry trend does attract lot of attention, when the general trend is to slow down / stop investments in training, the organizations which continues to focus will attract that attention. This extra attention can be channelized in a positive manner to build a strong message / brand which could act as a great catalyst to attract new talent from competition which is susceptible in troubled markets.

- **Future Ready**

In a hurried and myopic outlook which is hallmark of troubled times, the focus is curtailed to day to day operations and transactions. Very few organizations ensure to keep themselves focused on the long term plans. Organizations which have their plans ready for the future also have to ensure that their employees are also future ready when the turnaround is about to happen. One of the most reliable sources to keep employees Future Ready is to ensure that they are trained for tomorrow.

One cant shy away from the fact that “I should survive today to ensure that I thrive tomorrow” and to survive today organizations and training champions will have to optimize the investments / expenditure on training, so the point of reference for us is **“How the Power for the Light at the end of the tunnel can be optimized to ensure that it not only switched off but lightened more”**.

- **Clean the calendar – “WHAT” is critical not “HOW Much”**

One clear strategy is to move from the “quantum” mode to “contributions” through some high impact programs. As training champions we need to focus on “What” rather than “How Much” or “How Many”. It is important to classify the programs after talking to all the stakeholders on what is **“Must Have”** and what is **“Nice to Have”**. “Must Have” will focus on helping optimize the conditions which will make our today better or help us in being Future Ready.

“Nice to have” can be curtailed or we could explore new avenues like mass learning through web or e-learning. Other ideas could be facilitating through internal trainers (line managers) and self learning kits and some of these would help optimize the budgets.

- **Make it business relevant**

Once the programs have been shortlisted as “Must Have”, we have to build a business case for each one of them. The focus of the business case would be to make the programs sharper in their focus, ensure that they are aligned to the compelling business needs and most importantly align the program deliverables to either the top line or bottom-line.

This is neither an easy nor a quick process and this should also not be done in isolation by the training champions. A collaborative effort between the Training champions, line managers and finance will help not build more credibility to the process but also facilitate building strong tangible metric driven training programs where the end results can be translated to business impact.

- **Negotiate fees with results**

In tiring times when money is counted and recounted, it becomes critical to ensure that all the investments have returns and training is no exception to it. The fees on the trainers need to go for negotiation based either on the feedback from the reporting managers after 2/3 months of the training or build a measurable scale where in the productivity or the deliverables of the employees can be measured “before and after” program.

The idea in here is not save money by not paying the trainers but make the trainers and others more accountable to what they are receiving and delivering. By building a collaborative process among the training champions, trainers and line managers we can lay foundation for a result oriented metrics driven process. This process would typically start from finalizing the content of the training program (in quantified terms “as is” and “desired”) to coaching post training sessions (by trainers & line managers) and finally cumulating into measuring the performance.

- **‘Sharing by Coaching “ - Build inherent capacity**

Building inherent capacity for some routine non complex training programs is a welcome break not only to optimize budgets but to also build credibility for the complete training domain.

“Sharing by coaching” must become a mandate i.e. when someone attends the training program, he / she has to ensure that they coach 3 ~ 5 of their peer group on what they have learned. Sharing by coaching is a powerful tool than asking participants to send notes or make a 2 hour power point presentations, where in the participants have the least accountability to learn and the session is also depended on the capability of the new learned employee who is imparting the training session.

- **Make some of itself self-funding**

An extreme measure in extreme circumstances could be asking employees to fund some part of the training program. This is not a bad idea as this not only helps optimize the budget but also brings in more ownership in the employees as they are contributing their hard earned money. Another aspect in this could be asking employees to attend courses by paying fees from their pocket up front and after they have successfully completed it and are certificated, the organizations would reimburse the same.

Choosing the “Right Way Out” is critical in Turbulent Times to ensure that we not only cope up with our turbulent today in better fashion but are also Future Ready. Choosing the ‘Right Way Out” means in no way a easy task. Switching the light off at the end of the tunnel as part of cost cutting will only reflect that we have darkness around and have little hope of knowing whether we are on the right track or no in the darkness around. On the other hand we should explore ways and means to ensure that the light at the end of the tunnel is brighter more than ever to help us translate our hopes into dreams and our dreams into reality by enabling our hidden capabilities through a strong effective and efficient training domain.

K Srinivas Rao is Head Strategy for HR at Satyam Computers Ltd. as well as a Research Scholar with XLRI Jamshedpur.
