

# Information Overload

Issue 73, January 2009

## Welcome:

The global economic situation has caused many organisations to close and even more organisations to cut back on personnel in a bid to stay afloat. Whilst it could be argued, most companies could benefit from removing dead wood, a lot of “good” personnel will find themselves out of work. As we have discussed in the Employment Services Edition of Information Overload it is vital we (as professionals) keep up to date with professional development. And there are many reasons why – not least of which – if you had to apply for a job tomorrow do you have the right mix of skills, abilities and qualifications to be able to answer the selection criteria and be shortlisted for the interview?

Now, perhaps more than ever we need to be looking at the kinds of training that will help us through the current economic crisis, so that when things start to grow again – we are ahead of those organisations who decided to stop bouncing the training ball altogether. As we all know, it takes more time and energy to get something going, than it does to keep it moving.

We hope you enjoy reading. Have a great week.

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## In this issue we will look at:

- Training: What Return on Investment?
- Fee vs. Free Training
- A Thought to ponder.

## Training: What Return on Investment?

There have been many studies which explain why people tend to stay with an organisation longer if they provide continuing professional development (including training) than those who don't. As we all know it costs a lot of money to replace a person – - the physical costs of advertising and the time taken by staff to select and interview the right person. But there are other associated costs we don't tend to think about. There will be down time – when there is no one to do the job at all, potential stress leave by the people who have had to pick up the extra work and then of course there is the time it takes for the new person to get up to speed, once the person is on board. If all of that can be allayed by providing training, then surely it stands to reason to be an essential component of any organisations business strategy.

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Therefore the Return on Investment for an organisation is simple – provide training, less people leave, productivity is likely to increase, take up of new software will improve, and any changes in duties and changes to the workplace, for which training is always needed especially with regards to Occupational Health and Safety will ensure your employees are better equipped to handle change within the workplace.

But that is organisational ROI. What about the ROI for the person who has undergone the training?

In my opinion there are many reasons why training is essential, and the return on investment is manifold.

1. You get to learn new things!

That one does go down as “stating the blindingly obvious”, but for the sake of clarity, some of the most expensive change management programs occur around **software implementations** and roll outs. Those organisations who don’t add “training” to the change management mix are more likely to find the take up of the new software is not as good as it should be (which is putting it mildly). And then there is the existing software that we use. How many of us couldn’t benefit from knowing how to do things better and more efficiently with the software we currently use – and lets face it not many of us have the time to train ourselves? So unless you enjoy reading user manuals – on the job training with someone who has undergone training, or training with an expert user can save you time and of course you become more proficient and efficient as a result.

**New skills and techniques** – Have you ever felt you have been promoted beyond your level of competence and then never received training to give you the skills and techniques you need to do your job? Have you ever felt like resigning because of it? Learning how to manage ourselves, our time, our projects and our people ensures we do feel capable of doing the job we have been hired to do, and that comes with time, experience and of course training (including on the job training as well as courses).

**Products / Services** – You can’t sell what you don’t understand. You will come across as shallow and with no real idea of how these “things” will help your clients, and as we all know we need to sell benefits not features. The only way you will understand the benefits is by knowing the product and / or service well – usually through experiencing it first hand for yourself, and how do you get to know the products and services? You are either self-taught – you research it and you use it.

2. You are likely to be paid more money.

Chances are going to be good, if the organisation you work for has paid for you to upgrade your skills and knowledge base it is with the assumption that you will be taking on more responsibility at some point. More responsibility usually means more money. Proving that the training has helped you to do your job better / more efficiently / more effectively which translates into increased productivity for the organisation and is usually rewarded. I say “usually” because there are still some organisations who expect you to take on more work, undertake training at your own cost and in your own time and not recompense you in any way for it. And lets face it, if that is either a) the organisation you work for – then I would suggest finding a different employer or b) the organisation you own or have a part in managing – then I would suggest you look at your attrition rate and the reasons why people

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are leaving, because I would suggest the culture, the monies you pay your employees and the support (including training) you offer are all interlinked and need addressing.

And as we mentioned in the introduction – if you had to apply for a job tomorrow, would you be able to answer confidently you had the right skills, abilities and qualifications to do the job? If you are in doubt – a good test is to go to any job board and have a look at what an employer is looking for. Download the job application package and answer the questions. Whilst some selection criteria can be applied to any job (good time management, good written and verbal communication skills, team work, working independently etc etc) there will be some job specific requirements:- namely software, association memberships, languages, years of experience, qualifications etc. All of which means we need to be mindful of the money we spend on training and the quality of the courses we undertake.

What you should be aware also though is the **Training for Trainings Sake syndrome**.

Whilst we can justify most training we say we want to do, there may come a time when you are undertaking training because you can, not because you “need” to. Training needs exist where there is a gap between the knowledge, skills and attributes required by an organisation and those already possessed by employees. This is determined by conducting a Training Needs Analysis.

There are many reasons why a training needs analysis should be undertaken, including:

- **Introduction of new technology:** As we have mentioned previously, new software, and especially those kinds of software that impacts on our jobs at every level will need training and usually across the organisation. For example telephone systems, email, workflow, document management (electronic and / or paper based systems) etc. Whilst training on the new system will be required it may also highlight associated training needs. For example, moving from a largely paper based office environment (are there any of those anymore?) to an electronic environment, will mean users will need training on the new system as well as the associated systems, for example word processing and Email, as well as learning the importance of business classification and retention and disposition of business records. As our working lives become more inter-woven with software, so our training requirements will increase (at least in the short-term).

“The NCVET-funded work and work carried out in the United States shows that training does not act alone to improve the performance of firms. The importance of training lies in the fact that it allows firms to introduce change more successfully. Thus firms experience considerable productivity benefits from the introduction of new technologies. But they do not realise those benefits fully unless employees have been properly trained to operate and maintain the new equipment—similarly, with other forms of innovation. Thus training pays its highest dividend to firms when it is linked to ‘bundles’ of other innovative practices such as new ways of working and new forms of organisational structure.” *P14 Return on investment in training: an introduction. Andrew Smith – published in NCVET: Return on investment in training: Research readings, Australian National Training Authority, 2001.*

- **Change in Job Descriptions (New Duties):** As our duties change, so does our need for new / additional training.
- **To improve productivity and safety issues:** by teaching people new skills and processes.
- **To improve product lines or fill gaps in the market:** Businesses that do not build or adapt to the ever changing needs of the market place will rarely stay in business over the long term. And as we have seen, there have been a lot of established organisations and companies who are struggling at the moment. We are of course not saying that some of these people did not try and improve product lines or fill gaps, the current economic crisis is re-writing the business landscape in ways most of us had never envisaged.

“Training should be directly linked to the organisational training needs analysis. Training needs to be focused on a clearly identified business problem. The more focused the training on the actual needs of the business, the higher the return that the firm will experience from its investments in training.” *PI4 Return on investment in training: an introduction. Andrew Smith – published in NCVER: Return on investment in training: Research readings, Australian National Training Authority, 2001.*

Of course the current economic crisis will high light several more interesting points with regards to training. On a personal level, it is important to keep up to date with the many changes that occur in our industries. Should the unfortunate happen and we are laid off, do we have the skills we need to get another job or did we allow ourselves too much time between training courses and professional development opportunities to keep up with the a) the other people who will be available for any jobs that come up, and b) the organisations need to have the best people do the work that is available?

But it should also be stated, that organisations who see training as a black hole where money is poured – but nothing concrete comes out the other end may end up losing key workers to organisations who do see training as a vital component during the next phase.

## Fee vs Free Training:

A quick question – do you truly value what you don't have to pay for? I have been fortunate to have been given free tickets to events where I have gained an enormous amount of benefits from attending. And other times I have had the ticket – but because it was free, didn't feel obliged to turn up – but I did anyway – and as always – got a lot out of the event. I have also been on the other side of the coin where I was the guest presenter at a free event – and despite many RSVP's only a fraction of those who said they were going to go, actually turned up. Well let me put it to you in this way. There is no such thing as a FREE event. There is the organisers time, the presenters time, the time away from the organisation to whom the organiser and / or the presenter belongs to, the preparation time by the presenter, the material produced for the event not to mention the attendees time in going.

And then of course there are many times when we have paid for something and felt we have not gotten our money's worth. For some reason the advertising material did not reflect the true nature of the event. The speakers were not as advertised, or they did not deliver what

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they were supposed to deliver (lets face it some times we go to events because we “like” the presenter and can come away disappointed if they had an “off” day).

No matter whether you had to pay for the event in time or time and money – there will always be something you can gain from attending.

With many thoughts

Lorraine

## A Thought to Ponder

“Success in business requires training and discipline and hard work. But if you’re not frightened by these things, the opportunities are just as great today as they ever were.”

*David Rockefeller (1915 - )*

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