

## Getting The Most From Your Training Investment

Training is an investment that many companies choose to make to improve the overall performance their employees. Effective training programs will help increase sales and profitability, reduce expenses, increase the value of the business and help the business retain quality employees.

Fortune 500 companies spent over \$150 billion on training in 2011, approximately \$1275 per employee. These companies devote an average of 40 hours per year to training, and internal surveys shows that training contributes in a large part to overall job satisfaction. It is a vital part of the way these successful companies operate, helping them remain profitable and to retain their most valuable employees.

One very effective method of training is the use of online self study training, like NTC's Training Department. Training Department allows the student access to the training on a 24/7 basis, making it available whenever the student is available to learn. This allows the student to attend the training without impact to his normal work schedule.

Additionally, Training Department for Groups allows the group administrator to run attendance reports on the training. The attendance report can show when individual users logged into and out of training sessions, how attentive they were, and their scores from the skill tests in each section. This audit capability allows the administrator to ensure that his employees are utilizing the training that he paid for.

### Training and Overtime

One issue that is often discussed about online training is whether or not the employee is required to be paid for attending the training. While laws vary from state to state, the general answer is "yes." Most state (and federal) laws require that employees be paid for their time while doing any work related duties, including training. Generally, if the employer requires the employee to complete the training, the laws usually state that the employee be paid for that time.

This presents a quandary for many employers. They want the employee to complete the online training, preferable on their own time, but they don't want to pay them for overtime for them doing it. Conversely, they don't want the employee to spend normal work hours completing the training since it takes them away from their other normal work duties.

### Continuing Education Program

One solution is to institute a company-wide Continuing Education Program to be eligible for performance bonuses and raises. Remember, an employee is entitled to pay for any work that is part of his assigned duties. If training is mandatory, it becomes part of the assigned duties and the employee must be paid for his time.

However, if the training is optional, and it is not mandatory for the employee to complete the training to complete his assigned duties, then generally the company is not entitled to pay the employee for attending the training. The key to this concept is mandatory (required) work versus optional work.

The concept is similar to employer tuition reimbursement programs. Employees are not required to go to college to improve their skills, but if they do, the employer will reimburse the employee for tuition fees related to the employee's job. Employees are not paid to attend college since it is for their own self improvement and participation is completely optional.

The difference is when the program is already paid for by the employer, and participation is completely optional on the employee's part. If the employee chooses not to participate, he will still be paid for the actual work he does perform. By conducting the program in this manner (optional as opposed to mandatory) the employer is usually in compliance with labor laws.

The key to making this program work is tying it to raises, promotions, and bonuses. As long as raises, promotions, and bonuses are not already a part of the employee's (and employee's labor union) contract, they are optional items on behalf of the employer. The employer decides whether or not an employee is eligible for raises and bonuses based on his job performance. The employee has the option to attend the training (it is not a requirement), just like the employer has an option to give the employee a raise or allow him to participate in a bonus program (neither of these are a requirement, unless written into a contract).

### Making It Work

It is also critical that the employer have a written policy about participation in the Continuing Education Program. Be sure that it clearly states what is required to participate and other eligibility requirements. Also state that the program is completely optional on the employee's part. He is not required to participate in the program (just like the employer is not required to give him a raise, and promotion, or a bonus).

Interest from the employee to participate in the program is an excellent indicator of the overall performance level of the employee. An employee who wants to attend to improve himself (and make more money) is more likely to go the extra mile for the customer and the company. Employees who will not invest the time to improve themselves (and their own finances) are typically less likely to improve the situation of a customer or their company.

From the employer perspective, making sure that the employee has successfully completed the program is essential. Knowing when the employee attended the training, and how he performed in the training will help the employer judge the value of the training to the employee. Conversely, having an employee who attends an online training program, and then just skips to the test at the end, defeats the purpose of training.

NTC's Training Department for Groups includes an administrative reporting feature that allows the group administrator to generate reports on user activities. The administrator can see when a student began and completed the training, that he was attentive the whole time (not just skipping ahead), and how he did on the skill test in the training.

#### Case Study

NTC received a call from a customer who had purchased Training Department for his team. He wanted the employees to complete the training he had purchased, but did not require them to complete it. He saw the value of training for his team, but was not willing to allocate work hours or pay overtime for the employees to complete the program. At the time of his call, less than 10% of his employees participated in the program.

We discussed the Continuing Education Program scenario with him. His company already had a plan in place to reward effective employees for their years of service (annual raises) and making the company allocations more profitable (performance bonuses). We suggested tying participation in the Training Department program he had set up to the eligibility for annual raises and performance. Participation in the program was optional, as were the employee's ability to earn annual raises and performance bonus. He announced the program to the employees and added the program to the employee manual for the company.

Within 30 days of his announcement, participation in the program went from 10% to 95%. Employees who participated in the program were eligible for annual raises and performance bonuses. Employees who did not were not eligible to earn this extra income.

Additionally, the customer was better able to identify who his highest performing employees were. Most completed the minimum required by the program, but some went above and beyond. He looked that these employees closer when positions became available for promotions and for key projects requiring extra attention. He also identified the employees who were his lowest performing and tried to improve their performance, work within their level of performance, or replace them with a better employee.

