



## Invest in Your Company's Human Capital

*Training and educating employees benefits both the company and the employee.*

We live in a highly educated society in which most people consider knowledge empowering. In the feed and grain industry, managers value well-trained employees and many use opportunities for education as an incentive for their people. However, with the pace of change in today's world it is hard to keep current. Some experts say that while knowledge acquired in the 1960s remained valid for

about 15 years, today this time span has been reduced to about 3 years. Think about that — much of what today's college students learn may well be superseded with new knowledge before they even graduate.

What can you do to help keep your employees current? How can you use training as an incentive? Here are some successful strategies for investments in employee training.

### **Why employee training?**

The investment in “human capital” pays off by giving you an employee who works smarter and is more motivated because you have invested in him as an individual. The employee benefits because of the additional skills and knowledge gained— and this becomes “theirs”; i.e. they don't give it back if they leave your company.

This fact spooks some employ-

ers, who fear they will spend money to train employees who will then leave for another job. To those folks we say — “offer training and they will stay.” What’s worse — to train employees and take the chance that some might leave, or not train them and have them stay?

Management gurus agree a good training program not only reduces employee turnover and increases employee loyalty, but it also increases sales and customer loyalty. Other good reasons for employee training include situations where a performance appraisal indicates a need for improvement that can be assisted by specific training.

Employee training sends a very positive message to employees: We value you and want to help you become even better. Employee training can help you lower your operating costs by enabling employees to do their jobs better or more efficiently. Good training can be a real motivator for your team. A good training program can provide a spark to that employee who needs to take a fresh look at his job.

### **What type of training?**

To get the return on investment you are looking for from your training dollar, first determine just what type of training is needed. Too many managers simply approach training in an opportunistic way — they see an “interesting” program and send someone to it. Or, they have always sent someone to a certain meeting, so will send someone again.

Some of the best managers we

know make this process far more intentional, incorporating training plans into the annual performance review process. Based on where a particular employee is in their organization, they determine what type of training would help that person become more productive during the next year. Then, they look for training options that will fill the bill.

For more senior employees, consider putting the burden on

---

***“A good training program can provide a spark to that employee who needs to take a fresh look at his job.”***

---

them — ask the employee to come to the performance review with some ideas on what type of training they want to pursue in the coming year.

### **Areas of focus**

There are numerous topics on which to focus employee training.

**Communications** — The increasing diversity of today’s workforce brings together a wide variety of languages and customs. Communication is hard enough even when an organization does



not have such diversity! Helping employees communicate better can help to lubricate an organization and increase efficiency and effectiveness.

**Computer skills** — Today we use computers for nearly everything and your people need to be efficient in their use. ‘Nuff said.

**Customer service** — Exceptional customer service is the key to success in any business. Customer service training can be used to change behaviors and attitudes. It extends to such things as telephone etiquette, working with retail customers, e-mail communications, dealing with angry or abusive customers and building listening skills.

**Diversity** — Diversity training usually includes explanations and discussion about how people have different perspectives and views, and includes techniques to value and utilize diversity.

**Sexual harassment** — Training usually includes a careful description of the organization’s policies about sexual harassment, particularly about what constitutes inappropriate behaviors.

**Ethics** — Society today has increasing expectations about corporate social responsibility. In addition, today’s diverse workforce brings a wide variety of values and morals into the workplace. Ethics training helps your employees deal with these issues.



#### **Human relations —**

Misunderstanding and conflict are sometimes the result of increased stress in today's workplace. Training can assist people in getting along in a more productive way.

**Quality —** Programs center on the importance and maintenance of quality. Important components here are showing employees the impact they can have on keeping customers happy, or the potentially negative impacts that can occur if poor quality products reach customers.

**Safety training —** This is critical when workers deal with heavy equipment, hazardous chemicals or repetitive activities. In the grain and feed industry we deal with dust issues and their relation to potential explosions; safety regarding fall prevention and working in enclosed spaces such as grain bins.

**Technical training —** Training can be specific to the technical side of your business such as backgrounding employees on the technical specifications of new products or technical certification for crop consultants if you handle farm supplies.

**Sales training —** Sales is one of the key "engines" that runs your business, and sales training for your salespeople can generate significant results, both in terms of generating new sales, and in retaining existing customers. Additional sales training also helps

them stay sharp and motivated.

**Management training —** While we discuss MBA programs on page 41, there are very useful management skills that lower-level managers and those employees you are grooming for management can learn from going through training focused specifically on management. Topics here might include financial management, planning skills, project management, etc.

**Leadership training —** Like management, leadership is a skill

***"Sales training can have significant results, in generating new sales, and in retaining existing customers."***

that can be learned. This sort of training can be useful for area managers or team leaders.

#### **Who offers training?**

The next step is locating the right program. With a little detective work you can quickly come up with a list of possible training providers. These include:

**Supplier training —** Many suppliers, particularly feed companies, like to assist in training your people about their products and services. Such programs can be tailored to your industry situation — and the price may be right

(often free).

**Continuing education —** Many classes, especially ones on computer skills, are offered at local community or four-year colleges. Also, some universities may offer business and management training. The Center for Food and Agricultural Business at Purdue provides a number of training programs:  
[www.agecon.purdue.edu/cab](http://www.agecon.purdue.edu/cab)

**Consulting organizations —** A variety of agricultural and general consulting organizations provide training programs. If you are a relatively large organization, you may want to invest in a custom program designed specifically for your organization

**Industry conferences —** Clearly most industry groups hold national, regional and state programs, and these may be a great source of training for employees

**Online training —** Increasingly, there are groups that provide training over the Internet. This can be a convenient, cost-effective way to bring a course to your employees.

**Part-time MBA programs —** More universities have begun to offer programs geared toward helping employees get advanced management training without leaving their job. They are tailored for upper management.

**Internal "instructors" —** An often overlooked source of experts for employee training is in-house people. Tap these people to give presentations on what they do best. This gives positive feedback to these talented individuals and spotlights them as

---

mentors for other employees seeking to improve their skills. Plus, you know the training will fit your situation.

### **Investing in training**

Unfortunately, training dollars are often one of the first areas cut when budgets are reduced. Because of the very positive returns educated employees provide to your business, this approach is counterproductive. Levering any dollars your suppliers provide, state or local support for training and development, or any other outside source of dollars is important as well. More important is making sure every dollar you invest in training counts.

### **Managing training impact**

Do some homework for any significant training investment. Get a schedule and make sure what the program covers is what your employee needs. Talk with the instructor/sponsor and clarify any questions. You may want to talk with someone who has attended the program to get his/her perspective. Making an informed decision will help ensure your money is well spent.

How do you make the most of the newly trained person? There are ways to get a bigger bang for your training buck. Multiply your efforts by requiring that upon their return from a training session, employees share what they learned. This will do several things: 1) Your employee is put into a better listening and learning mode while attending the training, as they now know you have

expectations that they will share their knowledge upon their return. 2) It is a proven fact that one of the best ways to learn something is to first learn it, then teach it to someone else — and this approach uses this method. A possible side benefit from this process is the ability to perhaps send one or two people to training rather than five, but still getting the effectiveness of having five people trained by those you send.

Evaluate the program periodically. Appraise the effectiveness of the programs you have your employees participate in. Have them rate the experience, and the quality of what they participated in — be critical, and look beyond amenities: Having a good time and learning something useful aren't always the same thing. If something wasn't productive, look for a different vendor — your employees' time and your money are just too precious to waste.

### **Invest in your most important asset**

In a tough economy, the easy thing to do is to cut discretionary outlays such as training dollars. It is much harder to take a strategic approach to training. But a firm's employees are its most important asset. And this asset deserves some repair, maintenance and upgrading on a regular basis.

Dr. Foltz is Associate Professor, Department of Agricultural Economics and Rural Sociology, University of Idaho, Moscow, ID. Dr. Akridge is Professor, Department of Agricultural Economics and Director, Center for Food and Agricultural Business, Purdue University.