

# Using training to improve your bottom line

A practical toolkit

## Training is expensive?

We're supposed to be convincing you to invest in training. But that's a bit tricky when you're cynically sitting there thinking "training and staff development are expensive". And that's exactly what you were doing isn't it?

OK, we've got two angles for you:

- 1) read this section and realise that training actually isn't really expensive
- 2) go straight to the information about how to get hold of free/low cost information - that's on the page titled, "where to get free/low cost training" (we thought very carefully about that title!)

## Training isn't expensive

You've probably heard the following quote before, although you might not have thought about it too much:

Employer: *I don't want to send my staff on training courses. They might leave and get a better job*

Trainer: *But if you don't train them, they might stay.*

So you could be left with a bunch of losers who need training but can't find another job because they're not good enough. And you'll get so fed up of them *you'll* want to leave. Great strategy...

On the other hand, you could take a risk, offer some training and benefit from better staff until they do eventually leave - research has shown that trained staff tend to be more loyal to their employers. They might even be so grateful for the boost to their morale, new skills and chance to apply what they've learnt that they stick around for a while and earn every penny you pay them.

## Is training worth it?

There are a few ways of thinking about the cost of training

- a) compare it with other ways of spending your money
- b) compare the cost of retaining improved staff with those of replacing them
- c) considering the return on investment from training

## Comparing the cost of training with other ways of spending your money

We've done a trawl through all the training provided by private training companies, colleges, individuals, online - you name it, if we thought it was vaguely relevant to the hospitality and tourism industry we considered it.

We did actually find one course that cost £2500 per person per day but the vast majority cost around £100 - £200 per person per short course. Many cost much less.

For around £100 you could:

- train some-one to comply with legislation - *and save the cost of being fined or being sent to jail!*
- train some-one to improve their marketing techniques - *and attract more business*
- or improve their customer care - *and cut down on complaints and refunds.*

Or for around £100 you could:

- take some one out for a pretty good meal - but you'll have forgotten it by next week and anyway what about your diet?
- buy a few drinks and cigarettes - and regret it in the morning
- or buy some fancy new software for your computer that you never get round to installing and even if you do you don't know how to use it...

Training offers much better value for money.

## Comparing the cost of training with recruiting new staff

Training actually encourages staff to be loyal to the company they work for. Far better to develop the staff you have and make sure they have the skills you need than go to the expense of recruiting new ones.

Some of the costs of recruiting new staff:

First of all there's the cost of the advertisement or recruitment agency fee.

Then there's the cost of your time:

- to draft an ad or brief an agency;
- to trawl through applications;
- to interview;
- to send out an offer letter...
- ...and then to arrange an induction for your new staff.

Taken together we reckon that's a minimum of £500, probably much more. And it doesn't take account of the way everyone feels unsettled when you need new staff.

**Training offers much better value for money**

## Considering whether training is effective and offers a good return on investment

The most scientific way of comparing costs of training is to also consider the return on your investment, which is important to most businesses. None of us likes to be “ripped off” so we resist paying for anything that might not be worthwhile. Training is no exception but it’s within your control to make sure it’s value for money.

Often people are sent on training courses because the boss reckons they could do with a day out of the office or because they’ve spotted a cheap course and decided to take advantage of it. Both these reasons are fine but it’s harder to evaluate this sort of training.

It’s easier if you’re able to do some sort of assessment of staff *before* you start to train them. For example this might be a simple but **measurable reason for the training** such as:

- Cutting back on the number of customer complaints
- Reducing wastage in the kitchen or improving the number of customers served over a given time
- Increasing response rates from direct mail or conversion of enquiries to sales

If you do this - and most people don’t - you’ll then be able to assess both the effectiveness of the training and the return on investment.

If you do want to be absolutely certain that your training programme has paid off you can follow the method developed by Paul Kearns.

1. Consider the period over which you might wish to recoup costs - typically a year or two.
2. Measure all the training costs. These would include travel to training or loss of productivity while some one is learning.
3. You then need to look at the financial benefits obtained over that same period. For example these could be:
  - labour savings
  - productivity increases
  - cost savings

You’ll then be able to work out your precise return on investment.

Training doesn’t just offer good value for money. It also improves moral and staff loyalty. It gives staff a better sense of direction and a welcome boost.

## Assessing your staff training needs

We can't suggest that training can take the place of pay. Employees do still need to be paid. But numerous studies have found that many staff also judge companies according to the opportunities they offer to learn and be trained. They want to work for companies where staff are valued. They want to work for companies that trust their staff and where work is meaningful. All this can be achieved through training.

*Training can be a powerful motivator - even when pay isn't great. That isn't an excuse to cut the wages - it's a powerful argument for training!*

In fact one of the frequent reasons people at all levels give for leaving their job is because they didn't have a chance to learn and develop.

If you are committed to training your staff, you can start by taking a small step and simply considering their training needs. Even a one day short course is better than no training. And it can have a major effect on motivation levels and skills.

## How to conduct a training needs analysis (TNA)

Undertaking a training needs analysis is much more practical than it sounds. You can do it very quickly and easily and it will probably help you think about other aspects of your business at the same time.

You need to consider training needs from two perspectives:

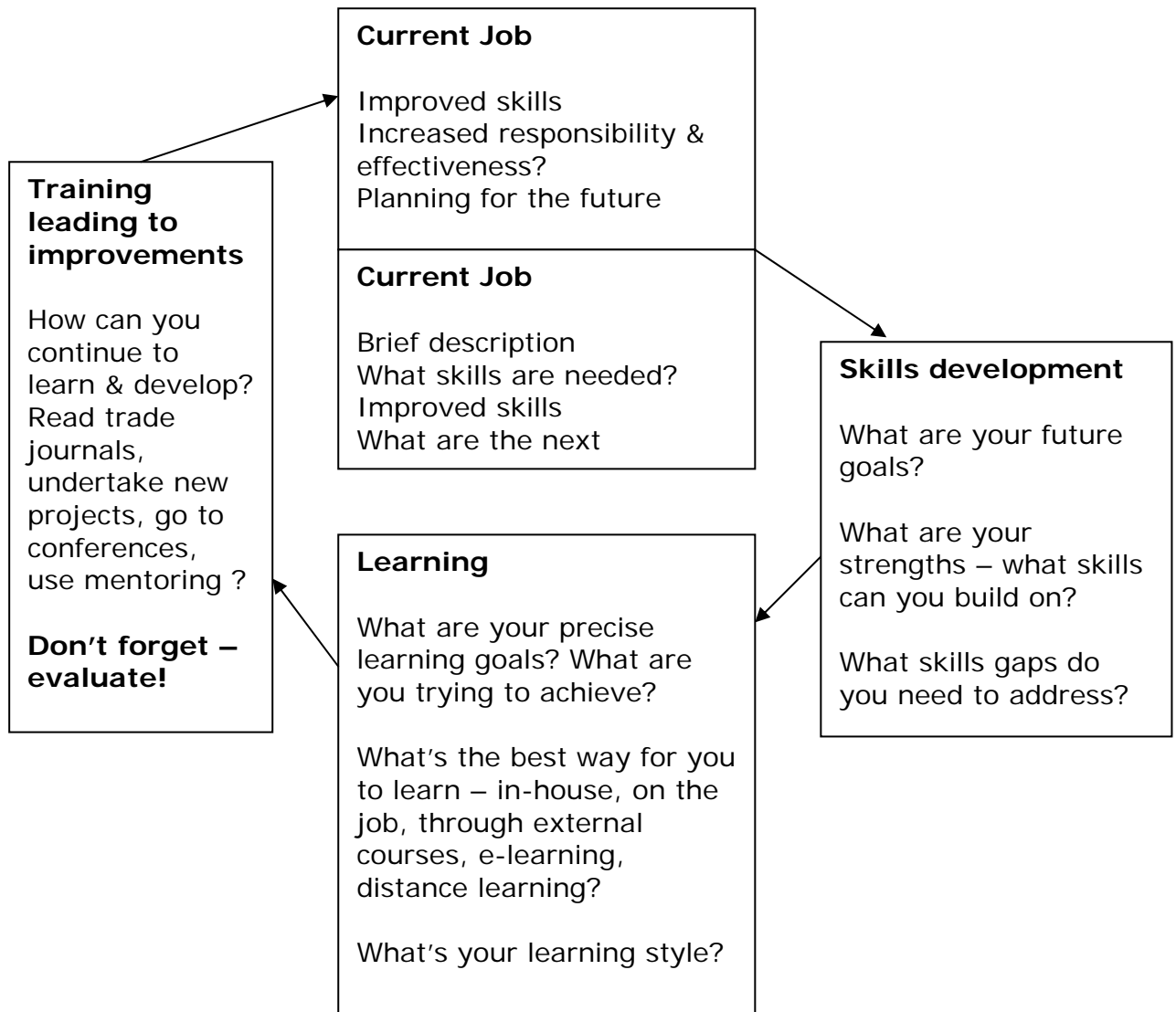
- 1) that of the business, and
- 2) that of the individual to be trained.

Your business objectives will partly determine the training your staff need. For example, if one of your business objectives is to increase sales by 10%, you'll need well-trained sales staff.

Individuals appreciate being asked to identify their own training needs, although assistance is usually needed to work through these. It's also essential to make clear exactly how much you're prepared to develop your staff. Another reason people leave their job is when their manager has promised a whole range of training opportunities that never materialise.

Use the next section to undertake your company's and individual's training needs. It includes a diagram to help you to picture the process and a brief form to help you to focus your thoughts.

## Determining training needs and undertaking training



## Training Needs Analysis Form

*What is your job?* What does it entail? Describe the job in a couple of sentences

*What skills do you need for this job?*

*Are you likely to face any new challenges in the next year or so?* For example, implementation of new computer system = training in new system needed or business plan calls for increased sales = enhanced sales skills

*What training or development would further enhance those skills or help you deal with the forthcoming challenges?*

*Is there anything that you would have liked to have done better/differently in the past year?*

*What kind of training might have helped that to happen?*

*Do you have any other skills or strengths that have not been fully used but which you'd like to develop?*

*Looking ahead, can you set some key goals that you think should be your focus for the next 12 months?* Each objective should be relevant to your specific job, as well as achievable in terms of the effort required and the time available. Try to suggest target dates by which you'd like to achieve these goals.

*In addition to training courses, can you think of any ways in which you might develop your skills and knowledge within the company?* For example, through a special project, or perhaps through mentoring?

*Is there anything that gets in the way of doing your job? What could be done about it?* This might be a lack of information or communication or perhaps a suggestion to improve a working practice

## Making sure that staff get the development that suits them best

We all think and learn in different ways. Not just fast and slow, but in really different ways. Some people are better at absorbing what they hear, which is why you've probably noticed that certain friends immediately know a song after they've heard a few bars on the radio. Others learn better when they read something and prefer to see diagrams rather than hearing explanations.

There are various free versions of tests on the internet that let you answer various questions to decide whether you learn best through auditory, visual or tactile/kinetic means. Search for "testing learning styles" and you'll easily find such questionnaires.

Ask your staff to undertake them. Once you've discovered which sense your staff use, it's easier to find the right training to suit them. It's also useful to know which staff respond best to verbal or written instructions and how they prefer to obtain information and support.

Peter Honey and Alan Mumford developed a Learning Styles Questionnaire which helps respondents to assess their behaviour and preferred way of learning.

- **Activists** enjoy new experiences and opportunities to learn. They prefer to be active rather than just to sit and listen and are happy to be in the limelight.
- **Reflectors** are more likely to assimilate information before starting and like to observe and reflect, working in their own time and without pressure.
- **Theorists** are methodical and like to think problems through step by step. They enjoy being stretched but using systems rather than lateral thinking.
- **Pragmatists** like practical solutions and want to pitch in and try things. They don't like too much theory, act quickly and respond to problems as a challenge.

You can try out one of the Honey and Mumford questionnaires by going to [www.peterhoney.com](http://www.peterhoney.com). Gerry Brown from People 1<sup>st</sup> also suggests the IKEA method of testing your learning style:

**Activists** rush home and open the box and start to assemble their furniture.

**Reflectors** open the box, read the instructions and then take their time to build it.

**Theorists** open the box, check the contents, count the parts, read the instructions look at the parts and read the instructions again before building their furniture.

**Pragmatists** open the box, quickly look at the instructions, start to build and if there is a problem try to work it out probably not referring back to the instructions because there has got to be a logical way.

## Where to get free/low cost training

Thanks to funding from the European Social Fund, The Tourism Network is able to offer free/low cost training workshop as sampling sessions. The aim is to offer you a half day workshop during which you or your staff can learn new skills, with a view to undertaking more in-depth training at a later stage.

At the end of each workshop we provide hand-outs and information about related training, making it easier to expand your knowledge in that subject matter. We can only offer the free tourism training sessions to companies who are London based and employ less than 250 people. All other organisations are welcome to attend, but we do make a small charge.

Forthcoming training sessions include these topics:

- Marketing
- Complying with legislation
- Business tourism
- Using new technology - a geek free guide
- Finance for non-financial managers
- Management, motivation and mentoring
- Intensive language learning, especially Chinese & Russian
- Food & drink service

For further information please email [susan@tourismnetwork.org](mailto:susan@tourismnetwork.org) or visit [www.tourismtraining.info](http://www.tourismtraining.info)

The **London Development Agency** has recently announced the details of its **Hospitality, Leisure, Travel and Tourism (HLTT) skills development programme**. This amounts to around £3.4 million funding over three years for 18 projects under 4 key themes:

- recruiting people into the industry
- retaining key staff in the industry
- engaging employers and
- building the skills base through training.

For full details please see [www.ida.gov.uk/tourism](http://www.ida.gov.uk/tourism) then click on "Hospitality, Leisure, Travel and Tourism" and then "Successful programmes". Some of the schemes are heavily discounted such as the Management Masterclasses & Mentoring programme which would normally cost around £1000 but is available for £100. For details please see [www.tourism-mentoring.co.uk](http://www.tourism-mentoring.co.uk)

People 1<sup>st</sup> is a “Sector Skills Council licensed by government. It is the employer-led organisation at the heart of the skills agenda in the UK for the hospitality, leisure, travel and tourism industries”. Roughly translated that means that People 1<sup>st</sup> has been appointed by the government as the organisation responsible for ensuring the industry gets the training and staff development it needs in order to develop and become more profitable.

People 1<sup>st</sup>'s main aims are to:

- Be the voice of industry on skills matters and encourage best practice
- Help direct funds for skills where they're needed most
- Ensure qualifications are developed that are fit for purpose
- Produce the information employers need on skills training
- Help people find the training and the provider that fits their training needs

If you'd like to know more either go to the website [www.people1st.co.uk](http://www.people1st.co.uk) or contact the Gerry Brown who is responsible for forging partnerships and working with the tourism industry in London. His email is [Gerry.Brown@people1st.co.uk](mailto:Gerry.Brown@people1st.co.uk) or call 0777 469 8364.



The information in this toolkit is part-funded by the European Social Fund & is part of a wider project to encourage tourism businesses to invest in staff training & development to improve their profitability and retention levels.

As part of this project, we offer a range of tourism training sampling workshops, many of which are free or low-cost. We also offer a handbook which includes essential information for those working in tourism as well as details of a huge range of training courses and providers. Find out more by email - [susan@tourismnetwork.org](mailto:susan@tourismnetwork.org) or see [www.tourismtraining.info](http://www.tourismtraining.info).

The Tourism Network is a not-for-profit industry support organisation. Find out about our networking events, publications and services at [www.tourismknowledge.com](http://www.tourismknowledge.com)