



Training as a Productivity Resource Tool

Abstract

Productivity determines profitability. A well-trained workforce is on average 23% more productive than an untrained one, while the wage premium of training is only around 12%.¹ So training your workforce makes business sense.

But in today's project-focused business environment, training is often project-specific so cannot be conducted prior to the work being contracted. On the other hand, running instructor-led training courses during project development and delivery can impact your:

- Timelines and ability to deliver to schedule
- Billable hours
- Logistics, including time, locations and trainers to deliver training
- Expert hours off-project to support less-experienced staff as they gain confidence in applying what they have learnt.

This whitepaper explores how revolutionary new eTraining solutions are paving the way for employers to reap the productivity benefits of a trained workforce, while minimizing costs and time off-project.

Quality eTraining solutions, such as custom software Plug-Ins, can improve productivity by:

- Making accessible the required learning at the time it is needed – no need to sit through a complete online or in-person course in order to learn how to use a single software function.
- Learning as you work, enabling billable training hours
- Learning is applied immediately, improving long-term retention and reducing the requirement for refresher training
- Work and learn uninterrupted, in your style, at your pace.

¹ Konings, Vanormelingen, *The Impact of Training on Productivity and Wages: Firm Level Evidence*



Introduction

The modern business is increasingly project-focused. It is an approach that can be particularly efficient, but with its strongly-defined scope and tight scheduling there is little room for employee training and development. Yet, projects often come with unique skills requirements that call for learning during the project. This can affect costs, impacting billable hours and schedules.

Therefore, if your workforce is trained and ready to deploy, no matter how specialised the project, you already have a significant advantage over your competition. A workforce that can be trained *during* the project without impacting delivery timeframes is an even bigger competitive advantage.

To achieve this, organizations need to incorporate agile training; quick, interactive training solutions to keep their workforce up-to-date with technology and skills, and to respond quickly and efficiently to the changing project requirements.

With agile training, your workforce gains not only a competitive advantage, but also a productivity advantage too. Your employees can get more done, to a higher quality and in less time. That improves your organization's capacity, reputation and profitability.

This whitepaper explores how revolutionary new eTraining solutions, such as software Plug-Ins, are proving themselves as productivity resource tools, paving the way for employers to reap the productivity benefits of a trained workforce, while minimizing associated costs and time off-project.

The relationship between training and productivity

There is an extensive body of research exploring the link between training and productivity, showing that the costs of investing in a well-trained workforce are far outweighed by the benefits this brings in productivity.

One research paper found that “overall, productivity is 10 percent higher for trained workers relative to untrained workers.”²

Other researchers found that the productivity premium for a trained worker is estimated at 23%, while the wage premium of training is only at 12%.³

Through productivity comes profitability. It's a clear connection, and one that lays an equally compelling mandate for a trained workforce.

² Colombo, Stanca, *The Impact of Training on Productivity: Evidence from a Panel of Italian Firms*

³ Konings, Vanormelingen, *The Impact of Training on Productivity and Wages: Firm Level Evidence*



The trouble with existing training solutions

The trouble with traditional training solutions is that they take time: big chunks of time while your experts are learning all the ins and outs of a piece of software when they are likely to only need to use a few functions.

And the productivity payoffs only happen *after* the training – that is, after you have taken your best staff from their jobs for a day, forgoing the potential progress against the schedule and billable hours, as well as incurring the thousands of dollars involved in delivering training, such as travel, venue rental and trainer fees.

Moreover, your staff will forget one-off training if they don't use it straight away. In fact, although researchers are yet to settle on an agreed figure, it's estimated that up to 90% of learned information is forgotten within a month, with a majority of that information lost in the first couple of days.⁴ This then incurs further costs as employees struggle to remember their training, attend refresher courses, or draw your experts away from their jobs as they seek their assistance.

Some online learning solutions will get you further – they remove the cost of the trainer and venue, and are generally timelier and more cost-effective; however, the overall return on investment (ROI) of standard online courses tends to be less than desired. Aside from the overwhelmingly passive text- and video-only approach, training located on corporate networks forces employees to use corporate resources and time to complete the training – an additional business expense. It also limits learners' ability to access the information as needed on-the-spot, a major concern for employees in field or mobile roles and a significant stumbling block in achieving true agility.

Maximising the productivity return on your training investment

How can you reduce these training costs below your competitors, while continuing to reap the productivity benefits of a trained workforce?

Modern eTraining solutions that integrate seamlessly with project software are the key to reducing training costs – both financial and resourcing. Just-in-time eTraining Plug-Ins place a fully interactive resource within project software, enabling staff to access only the information they need, at only the time when they need it, significantly reducing time spent in training and off the project.

Not only are these solutions cost-effective – a seat on an eTraining course may cost as little as \$100 per enrolment – but by being able to undertake the training inside the software, employers can reap additional benefits:

⁴ Leaman, *Learning Continuum: The Missing Link*



- Learning within the software means learning on the job.
- Time spent learning is distributed across the project.
- Learning is directly related to the software element in use, maximizing retention and reducing time spent navigating irrelevant information.
- Training takes place in minutes, with immediate implementation of the learning, allowing for training on billable hours.
- Training is available when and how learners need it – especially useful for staff working non-standard hours when there may not be other experts available to provide assistance.
- Ease of access to specific information means that your experts with the highest billable hours don't need to take time off to provide assistance to other staff.
- Flexible multi-media content maximizes engagement and understanding.

Scenario: The specialized project

Alphabetical Engineering has been contracted for a large office building development. The unique nature of the project means that they have had to hire a couple of specialist engineers for one of their teams at billable rate of \$200/hour.

While both Bob and Jane have extensive experience in their fields, neither of them have used the particular specialty software that is in use for this project. This places Alphabetical Engineering in the difficult position of bringing them up to speed while minimizing the impact on project milestones or deliverables.

If the engineers are inefficient and spend even a half-hour trying to figure out the software themselves, that's a total \$200 loss on company billables, as well as potential flow-on effects to schedules and morale.

The traditional approach:

Alphabetical Engineering decides to send Bob on a 1-day software training course. It turns out that the only course this month is being run on the Friday of his first week in a nearby larger city.

For the first four days, Bob sits at his desk and reads the project documentation several times through. Then on Friday, Bob learns the intricate details and capabilities of all functions of the software, and returns to the office on the following Monday a little dazed and overwhelmed, with a great fat file folder of reference material and instructions.

He sits down at his desk, opens the software, and realises that it doesn't look quite like he remembers from the course. He knows there are settings to change it, but



can't remember where to find them. So he pulls out the file folder and flips through until he finds the right information and can make the change.

As the morning progresses, he can remember the training explaining functionality, but can't remember the specifics, so continues with the file folder next to him, referring to it frequently for prompts on what to do next.

There's one thing that he can't find in the folder, so he hunts down Angus, a colleague on the project, to help him figure out the process.

By the end of the month, Bob is referring to the folder less and less, but still relies on it for the tasks he undertakes infrequently and still can't remember.

In total, the traditional method of training has cost Alphabetical Engineering the following over Bob's first month:

- Financial Impact = - \$12,100
 - Training = \$1200
 - Transport and accommodation for the training = \$300
 - 4 days of Bob being unable to use the software @ \$200/hr x 28hrs = \$5600
 - 1 hour per day of Bob 'figuring it out' @ \$200 = \$4000
 - 15 minutes per day of another software expert to help Bob @ \$50 = \$1000
- Scheduling impact = -8 days and 5 hours
 - 4 days of Bob being unable to do his job
 - 1 day of training
 - Cumulative 3 days 'figuring it out'
 - 5 hours of Angus' time

By the second month, Bob is using the software as needed by his role, with the occasional quick reference to his file folder when an unusual function rears its head. And he's regularly amazed by how most of his work uses only a small portion of the extensive training he received.

The alternative approach:

Alphabetical Engineering decides to trial a modern eTraining approach with Jane, using Global eTraining's software Plug-Ins for their specialist software.

Jane logs into the software on her first morning. She can guess her way through the first couple of tasks, then realises she's not sure what to do next – none of the available options seem to be what she wants.



She activates the Global eTraining Plug-In in the software, and types in what she is trying to do. The Plug-In helps her to identify the next steps and she is on her way again, with only a 5-minute diversion.

From her first day, Jane is already contributing to the project and helping it move towards meeting its milestones. She uses the Plug-Ins regularly, but with the quick, targeted explanations, and by using what she has learned straight away, she retains the information and rarely needs to use them after the second week.

The Plug-In gives Jane access to eDemo videos, text, images and 'Let Me Try' exercises that guide her understanding while keeping Jane engaged with the material. And since the Plug-In is so fast and relevant, the 3-5 minutes it takes her to learn about a function doesn't even impact on her billable hours.

- Financial Impact = - \$100
 - Training = - \$100
- Scheduling impact = - 0 hours

Conclusion

Productivity, the efficiency with which inputs can be converted into outputs, is the foundation of organisational profitability. A more productive workforce generates better profits for the business.

Efficient training is key to productivity, and eTraining software Plug-Ins are the leading solution for minimizing training costs and maximizing benefits. By incorporating innovative eTraining productivity resources into your project planning and contracting, you are positioning your workforce for success.

*Call today for a free demo
1-877-414-0200*

Access our [website](#) for additional information about the Plug-Ins or to request a Demo.



About Global eTraining

Global eTraining is an award-winning Canadian-based provider of comprehensive, integrated online learning solutions with over 25 years of experience in developing and delivering exceptional computer-based learning. We are a strategic training partner to some of the world's largest and most diverse multinational design, construction and software organizations, government bodies and educational institutions, and the global leader in developing and designing training for the 21st Century.

GeT Interactive courses are currently being delivered in 139 countries around the world.

Learn faster. Retain more. Transform productivity.



Further Reading

- Nigel Fenwick, *Ten Steps to Increased Productivity Through Effective Training*, 2010, http://blogs.forrester.com/nigel_fenwick/10-03-31-ten_steps_increased_productivity_through_effective_training
- William Oncken Jr, Donald L Wass, *Management Time: Who's Got the Monkey?*, 1999, <https://hbr.org/1999/11/management-time-whos-got-the-monkey>
- Rohan Singh, Madhumita Mohanty, *Impact of Training Practices on Employee Productivity: A Comparative Study*, 2012, http://www.interscience.in/IMR_Vol2Iss2/IMR_paper17.pdf
- Emilio Colombo, Luca Stanca, *The Impact of Training on Productivity: Evidence from a Panel of Italian Firms*, 2008, http://dipeco.economia.unimib.it/Persone/Colombo/papers/ijm_revision_final.pdf
- Jozef Konings, Stijn Vanormelingen, *The Impact of Training on Productivity and Wages: Firm Level Evidence*, 2010, <http://ftp.iza.org/dp4731.pdf>
- Xiangmin Liu, Rosemary Batt, *The Economic Pay-Offs to On-The-Job Training in Routine Service Work*, 2005, http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1279&context=cahrs_wp
- Ewart Keep, Ken Mayhew, Jonathan Payne, *From Skills Revolution to Productivity Miracle – Not as Easy as it Sounds?*, 2006, https://www.training.nsw.gov.au/forms_documents/industry_programs/workforce_development/skill_ecosystem/keep_mayhew_payne.pdf
- Cliff Grimes (ACCEL), *Supervisors Guide to Productivity Improvement*, http://www.accel-team.com/_pdf/atpdf_08_extract.pdf
- Carol Leaman, *Learning Continuum: The Missing Link*, 2014, http://design.hr.com/ExcellenceEssentials/TEL/TEL_SEPTEMBER_2014/index.html#/19/