Want your staff to stay?

Make training a priority
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The state of training in the UK

Staff are a business’s most important asset so it’s vital that employers make the most of them by providing training and development opportunities.

During the economic uncertainty of recent years, training was one of the areas which was neglected as businesses fought to keep costs down. However, recent statistics from The Personal Development in the Workplace Study 2014 show that training and staff development is once again on the agenda for small businesses. The study showed:

- 58% of respondents felt that their employer was taking their personal development seriously, up from 52% 12 months ago.
- The number of employees given a structured personal development plan has increased to 42%, up 8% year-on-year.

But while these figures are reassuring, they do show that there’s still a lot of work to be done if all SMEs want to get the most out of their staff.

“Training and mentoring can still be provided on a skeletal budget, using internal resources and knowledge held within the company.”

Jonathan Richards Chief executive of HR software firm breatheHR

State of training in the UK

Training provision over the last 12 months

<table>
<thead>
<tr>
<th></th>
<th>Train</th>
<th>Train off-the-job</th>
<th>Train on-the-job</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. Ireland</td>
<td>63%</td>
<td>49%</td>
<td>47%</td>
</tr>
<tr>
<td>Scotland</td>
<td>70%</td>
<td>53%</td>
<td>57%</td>
</tr>
<tr>
<td>Wales</td>
<td>62%</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>UK</td>
<td>66%</td>
<td>49%</td>
<td>52%</td>
</tr>
<tr>
<td>England</td>
<td>66%</td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Employer interest in undertaking more training

- All employers
  - 66% Train
  - 34% Don’t train

- Of trainers
  - 47% Wanted to train more
  - 51% Do sufficient training
  - 2% Don’t Know

- Of non-trainers
  - 71% No training needed
  - 29% Wanted to train

Want your staff to stay? Make training a priority
Why do you need to train your employees?

Providing workers with appropriate training has a number of business benefits. We take a look at a few.
Training your workers has one obvious benefit – upskilling your staff and ensuring they are performing to the best of their ability, but it also has a number of other knock-on benefits.

**Increased productivity**  
Giving workers the tools to do their jobs to the best of their ability can result in a more motivated and productive workforce, which will ultimately benefit your bottom line.

**Improved morale**  
Providing workplace training shows that you are willing to invest in your employees, which makes them feel valued and boosts morale. Similarly, not investing in training can be a sign that you are not committed to your workers.

**Business growth**  
The business landscape is constantly changing and providing regular training is a good way to ensure that your staff are up-to-date with the latest trends and developments. Companies which don’t train their staff risk being left behind by their competitors.

**Future-proofed workforce**  
Your business may be running smoothly at the moment, but what if a couple of key staff members left? Developing junior staff members and preparing them to move up the company when the time comes helps future-proof your workforce. This becomes increasingly important when you consider that the UK’s workforce is ageing and organisational knowledge needs passing down to the next generation.

Over half (51%) of employers believe a main benefit of improving staff qualifications and skills is increased staff commitment and retention

*AAT*

* http://www.wsandb.co.uk/wsb/news/2220485/firms-using-training-to-aid-staff-loyalty

Want your staff to stay? Make training a priority
Reduces recruitment costs

Happy, focused workers tend to stay with their employers and providing training can help create a sense of loyalty, leading to improved retention and reducing the need for costly recruitment procedures.

Improves brand image

Look at the companies featured in lists of top employers. One thing the vast majority of them have in common is a dedication to staff training and development. A willingness to invest in staff marks you out as a good employer to potential customers, recruits and business partners.

Helps attract top talent

The most talented workers are often the most ambitious and they’ll want an employer who is going to help them develop their skills and move up the career ladder. A strong training programme can help attract the best recruits.

Prevents skills shortages

The UK is suffering from a chronic skills shortage in some industries which is holding companies, and the economy, back*. Providing training can help you tailor your staff’s skillsets and ensure you have access to the skills you need to help your company thrive and grow.

The average cost of replacing a departing staff member is £30,614, according to research by Unum and Oxford Economics. Can a good training programme help you keep your top talent?

* http://www.bbc.co.uk/news/business-30224320
Why do some employers neglect training?

When you look at the benefits training can bring both workers and businesses, it seems like an obvious decision to invest in improving your staff’s skills. So why are some employers so reluctant to do just that?

“What if we train employees and then they leave”

One of the biggest fears surrounding training for employers is what if they invest a lot of time and money in staff only to have them leave and take all their newly acquired skills to a competitor.

And there certainly is an element of risk – well-trained and highly skilled staff are more valuable and sought after. However, if you don’t train staff, they may not be as attractive to other employers, but are they as useful to you?

It’s also worth noting that while many employers think staff are hopping between jobs with greater frequency, research by BlessingWhite actually shows that the average tenure in a job has risen in recent years, climbing from 8.2 years in 2000 to 9.4 years in 2012. The study also showed that in 2014, 88% of workers said there was nothing wrong with staying in the same job for long periods, as long as there are opportunities to develop, up from 80% in 2007*.

“Training is too expensive”

Small business budgets have come under increased strain and one of the first things to be cut is often staff training. It’s true that many forms of training require some initial investment, but, if it’s done properly, companies should see a return on any cash they lay out in the form of a more productive, better skilled workforce.

For businesses which really can’t dedicate any funds to training, there are still lots of ways they can encourage staff development, for example asking senior members of staff to spend some time mentoring junior workers or holding knowledge sharing sessions where staff can share their expertise.

* http://www.hrmagazine.co.uk/hr/news/1145036/development-key-staff-retention-research
“It takes too much time”

Time is another asset many small businesses simply don’t have enough of. Staff often have multiple functions and full schedules and in the smallest of firms taking staff out of the office or off the shop floor for even a few hours is a struggle.

However, it’s worth remembering that staff training can help workers become much more efficient at their job, meaning it could actually save you time in the long run.

“Employees aren’t interested”

There is a common misperception that staff aren’t interested in training. However, research from the Kenexa High Performance Institute shows that one in ten workers say education and career growth is the most important thing to them, suggesting that in reality it’s more likely that staff aren’t interested in irrelevant or badly organised training.

Make sure all training is carefully targeted and relevant to all attendees. There shouldn’t be anyone in a session who won’t clearly benefit from it. It’s also a good idea encourage staff to think about their own development and what training they’d like by holding regular performance reviews.

What would cause more problems for your business – training employees and them leaving or not training them and them staying, leaving you with under-skilled workers?

Finding the right training for you: Different types of workplace training

With so many types of training available, how do you know which is right for your business?
It’s clear that many of the issues businesses have with training can be solved by choosing the right type. And there are certainly lots of options to choose from – do you opt for on the job or off the job? Should your workers be sitting formal qualifications or would a more relaxed approach like job shadowing or peer mentoring be more appropriate?

Over the coming pages we take a closer look at some of the most popular training methods and how they could benefit your organisation.

**Types of training**

Which three learning and development practices do you most commonly use and which three are the most effective?

<table>
<thead>
<tr>
<th>Practice</th>
<th>Most Commonly Used</th>
<th>Most Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-the-job training</td>
<td>51%</td>
<td>53%</td>
</tr>
<tr>
<td>In-house development programmes</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>E-learning methods</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Coaching by line managers</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>External conferences, workshops and events</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Instructor-led training delivered off the job</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Formal education courses</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Coaching by external practitioners</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Blended learning</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Internal knowledge-sharing events</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Job rotation, secondment and shadowing</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Collaborative and social learning</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Action learning sets</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Virtual classrooms</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Massive open online courses (MOOCs)</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

Source: cipd.co.uk
E-learning

Technological advances mean that a lot of training can now be provided electronically, whether that’s on a smartphone, tablet or computer.

Many people were sceptical of e-learning when it was first introduced, but in recent years, as technology has advanced, e-courses have become increasingly well-designed and interactive, making them more engaging for users.

Benefits at a glance

• **Cost effective** – No printed materials or physical assets helps reduce the cost of training.

• **Time effective** – There’s no travelling to and from sessions and staff can access the materials 24/7.

• **Flexibility** – Staff can work through modules at their own time and pace, without pressure to keep up with their colleagues.

• **Easy to track progress** – As everything is stored digitally it is easy to monitor learners’ progress and development.

Best for…

**Very busy workers** – the beauty of e-learning is that it can be done anywhere, anytime. Some face-to-face courses only take place 9-5 Monday to Friday, but with e-learning workers can dip in and out as they choose and fit their training around their other responsibilities.

E-learning in action – In 2015, 98% of organisations are expected to use e-learning courses as part of their overall learning strategy.*

Vocational qualifications

Vocational qualifications are work-based qualifications which relate directly to specific jobs and industries.

Workers typically complete the qualifications while gaining valuable workplace experience. They are well-recognised within the industry they are aimed at and enable learners to meet the National Occupational Standards in their chosen field.

Benefits at a glance

- **Practical skills** – They equip staff with the practical skills they’ll need in the workplace and to help make a real contribution to your business.

- **Industry-recognised** – Most vocational qualifications are well known within their specific industry and if your staff have them it can be reassuring for future clients and customers, acting as proof that they are adequately trained.

- **Tailored courses** – Many vocational qualifications are designed with input from industry bodies and employers, meaning they reflect the latest trends in your industry and provide employees with relevant skills.

- **Flexibility** – Staff can typically study for vocational qualifications at a time and pace which suits them. Many courses can be delivered part-time or via distance learning.

Best for…

There’s something for everyone - vocational qualifications are available at a variety of different levels, from entry level to Level 8, which is the equivalent of a PhD.

Self-training

The world of work is changing at such a fast pace that most businesses, particularly smaller ones, simply can’t meet all of their employees’ training needs. But by actively encouraging self-learning, where workers take responsibility for at least some of their own training, businesses ensure their workforce has the skills they need.

There are lots of materials which can aid self-learning, for example webinars and online forums are widely available, but you need to point people in the right direction. Setting up a dedicated section on the company intranet where resources can be collated is a good starting point and having regular development chats with staff is essential.

Benefits at a glance

- **Cost effective** – Most self-learning materials are free of charge.
- **Encourages workers to be proactive** – Giving them some responsibility for their own personal development means staff have to use their own initiative and seek out opportunities.
- **Flexible** – Staff can choose to focus on the areas which they feel are most relevant to them or that they find the most interesting and can learn at their own pace.

Best for…

**Employees wanting to move up the ladder.**
Workers need to be highly motivated for self-learning to be effective.

Self-training in action

– The BT Dare2Share project saw the company encouraging engineers to develop their own training resources which could be shared with one another.
On-the-job training

On-the-job training takes place while employees are actually going about their day-to-day jobs, building their skills as they work.

It can take numerous forms, including mentoring, or coaching, where a more experienced staff member helps out trainees and new recruits, job rotation, where staff members sample other roles to give them experience of the company’s full offerings and shadowing, where workers observe more experienced colleagues as they go about their day.

Benefits at a glance

- **Job specific training** - The training workers receive is specific to their role and the business they work for. They learn in a real workplace environment and get hands-on experience dealing with the challenges they’ll face every day rather than made-up scenarios.

- **Cost effective** – There are no cost implications.

- **Time effective** – No working time is lost as the trainee doesn’t have to travel to and from courses. Skills are developed as they do their job.

Best for…

New recruits or people moving into more senior roles. It gives them a real insight into what is expected of them and a chance to develop skills they’ll need everyday.

On-the-job training in action: Aldi focuses on on-the-job training, with managers acting as the trainer; demonstrating processes to staff and then observing as they try them themselves.
Off-the-job training

Off-the-job training is any form of training which takes place away from the normal working environment. It is often provided by specialist training organisations and focuses on more general skills rather than job specific ones.

Off-the-job training can involve evening classes, day release courses at a local college or intensive sessions held over one or two days.

Benefits at a glance

- **Helps employees stay focused** – There are none of the everyday distractions which can get in the way of on-the-job training. Workers only have to concentrate on the task at hand.

- **Access to a wider range of skills** – By bringing in outside trainers businesses can teach staff new skills which aren’t already present in the workforce.

- **Can improve working practices** – Sometimes it’s good to get an outside perspective. Sending staff on a course which focuses on organisation skills, for example, can benefit the whole company as they will transfer what they learned to their colleagues when they are back in the office.

- **Motivated staff** – Sending staff on off-the-job training is a great way of showing you are willing to invest in their development.

Best for…

**Updating skills.** Sending staff for regular off-the-job training means they keep on top of any new developments in their field and can help influence new ways of working.

**Off-the-job training in action: Aldi uses off-the-job training for areas such as recruitment influencing skills and employment law.**
Case studies: Companies which are getting training right

Some companies have their staff’s training needs covered. We take a look at a few of the businesses with the best learning and development programmes.
Siemens

Siemens employs over 20,000 people in the UK alone and as a fast-paced technology firm, competing in an ever-changing market, it needs to ensure the skills of these workers are constantly updated.

As well as a standard induction programme for all new staff, Siemens offers three development programmes aimed at entry level staff – apprenticeships, the Siemens Commercial Academy for financial and commercial staff and the Siemens Graduate Programme. All three combine on-the-job training and off-site training and give workers the opportunity to work towards recognised industry qualifications.

In 2014, Siemens’ employee turnover rate was 9.1%, compared to a UK average of around 15%*. In 2014, Siemens invested around €769 (£563) per employee on continuing employees’ education**.

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Tesco

Learning and development is a key focus for Tesco. At least twice a year, all employees have performance reviews with their manager during which opportunities for training and development are identified*

For people who want to move onto bigger and better things within the company, there is the Options Programme, a training and development scheme designed to support employees working towards new roles. There are also apprenticeship and graduate schemes and the opportunity to work towards recognised qualifications like A-levels and foundation degrees.

Top tip

Tesco makes use of technology to provide staff with a wide range of training opportunities. The Academy on the GO app delivers bite-sized training modules on the go while the virtual Academy Online lets workers access a range of training materials wherever, whenever.

Tesco bagged the Personnel Today Award for Excellence in Learning and Development in 2014

Aldi

Aldi has undergone rapid expansion in recent years resulting in a number of large scale recruitment drives. Last year it announced it would be taking on as many as 5,500 new staff to meet demand for new stores. With so many people joining the business, a good training programme is paramount.

Training is typically done on the job and most new recruits go through a period of shadowing colleagues - observing and learning their skillset. Trainees will also be assigned a mentor to guide them through their first weeks and months.

Job rotation is also common. Even area managers spend time stacking shelves and serving customers so they can better understand the company way of working.

Top tip

Aldi decides what training is needed through analysis of company performance. For example, if product availability drops in store, then training on ordering accuracy would be provided.

The Aldi Academy was launched in 2014. New staff receive a 12-week training course at the academy and there’s a structured training plan for every employee.

Over 85% of Aldi directors have been recruited from within the company.
How not to train

For every example of excellent training there are cases where companies have got completely the wrong end of the stick, resulting in training which was a waste of time and money. We take a look at what companies shouldn’t be doing.

Don’t be generic

Training shouldn’t be one-size-fits-all and generic training programmes can be a waste of money. Employees learn best in different ways and at different paces, so designing training programmes with their specific needs in mind could pay off in the long-run.

Don’t train for training’s sake

All businesses should provide training and development for their employees, but only when there is a need for it. While providing relevant training can boost morale and increase productivity, forcing workers to attend training which covers something they already know or isn’t relevant to their job can have the opposite effect, as well as wasting time and money.

Don’t rely on outdated videos

Head onto YouTube and you’ll find dozens of examples of hilariously cheesy training videos, but worryingly these weren’t created purely for entertainment purposes, they were, and in some cases remain, core parts of companies’ training programmes. It’s worth re-evaluating at your training assets regularly and making updates where needed.

Don’t forget to let employees use their new skills

If you’ve invested time and money in training your employees, make sure you give workers a chance to put their new skills to the test. Coca Cola made this mistake in the 90s. All workers in Atlanta, US were giving training about the tools of continuous quality improvement, however, several years on many employees had forgotten their new skills as they’d never had a chance to use them, according to a report in Personnel Journal. The company now focuses on training as it is needed.

Don’t act like training is a punishment

Training is about personal and professional growth and shouldn’t be seen as a punishment or something which is only given to employees who are not up to scratch. Instead, why not treat it as a reward for your best employees?
Apprenticeships

Apprenticeships have undergone something of a makeover in recent years but remain one of the best ways to train workers.
The who, what, where and why of Apprenticeships

Who
Despite common misconceptions apprenticeships aren’t just for young workers fresh from doing their GCSEs or A-Levels. Anyone can apply for an apprenticeship as long as they are between 16 and 65 and not already in full-time education.

What
Apprenticeships provide on-the-job training within companies which allows workers to earn while they learn and gain industry-recognised vocational qualifications. They typically take between one and five years to complete, depending on what level they are. There are three levels of apprenticeship, ranging from Intermediate (Level 2) to Advanced (Level 3) and Higher (Level 4, 5 and 6) with Level 6 Higher Apprenticeships being the equivalent of a degree*.

Where
Apprenticeships aren’t just available in traditional trades such as joinery or plumbing. Thanks to the introduction of higher apprenticeships in 2009, they are offered in a wider range of industries than ever before from accountancy to construction, tourism and digital media. Companies of all sizes offer apprenticeships including big names like Tesco and McDonalds and small businesses with fewer than 10 employees.

Why
For workers, apprenticeships offer the opportunity to get hands on experience within their chosen field and gain recognised qualifications - all while getting paid a wage. But there are numerous benefits for employers too, which we’ll take a closer look at on the next page.

Almost 670,000 people were learning while earning with an apprenticeship during the first half of the 2014-15 academic year, including more than 400,000 16 to 24 year olds**.

Apprenticeships cover over 1,500 job roles across a number of industries, according to official figures.***

* https://www.gov.uk/government/publications/higher-apprenticeships-guide-for-employers
Benefits of taking on apprentices at a glance…*

**Flexibility**
Apprenticeships can be tailored to specific roles, helping you fill talent shortages within your organisation.

**Cost effectiveness**
You may be eligible for funding to support apprentices (although you’ll still need to pay their wages). Apprentices are also less expensive to recruit and train than other workers.

**Succession planning**
Apprenticeships help companies secure skilled young workers who may go on to be the future of your workforce.

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**Innovation**
Apprentices can help bring new ideas forward.

**High retention**
Apprentices tend to stay with employers for longer and staff turnover rates are lower.

**Motivated workforce**
Apprentices tend to be highly motivated and they can also motivate other workers to take an interest in training and development.

**Qualified workers**
All apprentices undertake an industry-recognised qualification in their chosen field.

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How to develop a training programme

Want to train your employees but not sure where to start? Use our handy checklist to help you create an employee training programme.
Assess your training needs
Think about your company’s goals for the next year or two – what skills will your employees need to help you achieve them? Do all your employees have these skills or are there any obvious gaps? It’s also worth asking workers what training they’d like.

Prioritise your training needs
Realistically you aren’t going to be able to get all the training you and your employees want underway straight away. Think about what is most important. Are there any areas where a lack of skills is holding the company back or any workers who are seriously underperforming in certain areas? The priority should be to address these issues first.

Get organised
Create a spreadsheet or training matrix which list all your employees and the training options open to them. Keep it updated with dates of when training is scheduled so you can see who has received what training. Appointing a training co-ordinator to track your programme’s progress can be helpful.

Communicate your plans
Don’t keep staff in the dark about your training programme. You want your employees to know that you are investing in developing their skills. Make a big announcement and put all the details of scheduled training somewhere where everyone can see them like the staff intranet. Make it clear that everyone will benefit from the training programme in some way.

Start an induction programme
An easy way to get your training programme underway is to hit the ground running as soon as staff start work. Develop an induction programme which all new starters have to complete in their first week. This will ensure everyone has the basic skills they need to do their job.

Monitor progress
Make sure you continually monitor your training programme’s progress and made any changes as needed. Gather employee feedback on the sessions they’ve had as well as comparing productivity statistics from before and after training.

Keep it up
Providing training is great for employee morale, but promising training and then failing to provide it will have the opposite effect. Be realistic about what you can offer staff and make sure you are providing training on a regular basis, even if it’s only once or twice a year.
Training your finance team benefits everyone

Give the people at the heart of your organisation the practical skills they need and they won’t want to go anywhere else.

For more information about how AAT Accounting Qualifications can help your business give us a call on 0800 096 4545 or head to aat.org.uk/train.