

# LESSON 38

## TRAINING PRACTICES

Friends,

This part of unit and lesson is going to provide you exposure towards the training and development practice across wide spectrum.

This lesson and a following lesson will provide lots of statistic drawn from various research about the training practices in Private, Public, MNCs, cooperatives and Government sector.

### INTRODUCTION

1.To meet the demands required of businesses in today's highly competitive market, companies are finding it necessary to provide ongoing training to their employees. In the past, **regulation, customer service requirements, and safety compliance** issues drove the training offered by most businesses. However, businesses are now providing training as a means of increasing worker productivity and performance and improving worker retention. This Brief presents findings on the training practices -the types of training needed by their employees, the types of training these businesses are able to offer, and the barriers companies must overcome to be able to offer training to their employees.

#### Trends in Training:

2.u. S. companies-small and large-are increasing their investment in training. The typical private-sector business with "50 or more employees spends approximately \$500 per employee on training" . Most training money is allocated to trainers' wages and salaries (39.6%); with outside training companies, tuition reimbursements; and training facilities making up the rest at 27.3%, 13.9%, and 21.9% respectively. After opening of economy Indian companies are also taking training their human resource as important aspect of management.

3.Although large companies are more apt to provide training than smaller companies, size is becoming less of a predictor of training than complexity of the environment, degree of market competition, and the internal makeup of the company. Companies involved in total quality management practices, technology change, and organizational restructuring, for example, are more apt to provide employee training as they are focused on high performance as a strategy for survival.

4. The Indian Society for Training and Development of the Industry has to consider the influence of technology on industry training needs. Although small companies have been slow to adopt new technologies, the increasingly technological nature of the workplace is prompting them to increase their spending in this regard. A Computer Reseller News Technical Training Survey conducted in 1999 revealed that "92 percent of small and mid-size companies plan to offer technical training to their employees this year" making it

the single most important area for training growth. As small business operations become more computerized and telecommunication activities increase, Internet, Intranet, and computer based training is expected to increase as well.

### **Employer-Provided Training**

#### **5.On-the-job training.**

There are 6.3 million small businesses in the United States, 6 million of which have fewer than 50 employees. Most often, training in these companies is offered in house and performed on an informal, sometimes random, basis. It is typically provided during a worker's pre employment period or on the job. Experienced and skilled workers are paired with newly hired ones to explain the operational processes of the company and answer questions related to job roles. Mentors and co-workers provide much of this type of in-house training.

#### **6.Seminars and speakers.**

Another form of informal in-house training offered by small businesses involves the use of volunteers who are recruited from the local chamber of commerce, colleges and vocational schools, and professional associations to offer skill training seminars free of charge. Brown bag lunches offer a forum in which general information can be conveyed, discussed, and shared. These inexpensive training methods offer opportunities for one-on-one interactions, affording employees the personal touch and coaching that motivates learning.

#### **7.Classroom instruction.**

Although most small businesses that have fewer than 100 employees provide little formal training, this is not true of all small businesses. "An increasing number of growing businesses are starting their own universities-ongoing skill enhancement programs that draw on both internal and external resources to train new employees and keep veteran ones current with a rapidly changing business environment". The prime delivery method for most in-house training, however, continues to be classroom instruction.

#### **8.One-on-one training:**

In-house training departments are less the norm in small companies than in large ones because of limited training budgets. However, individual trainers in small companies can have a great impact on employee learning and skill development as they can more readily target employees' development needs, cultivate relationships, and engage in one-on-one communication.

#### **9.Trainee partnerships.**

Partnering with other businesses and securing support from suppliers are other ways in which small businesses are supporting their training functions. For example, noncompeting small businesses are combining their resources to leverage their training options. They are finding that collectively they can provide enough employees to take advantage of a single class offering, share costs of consultant seminars, and provide their employees with other types of formal skill training that they individually could not offer.

#### **10. Vendor training:.**

Some formal training for small business employees is provided by suppliers, for example, from such vendors as Intel and 3Com Corp. Value added resellers who sell Intel and 3Com Corp computers to small companies see small businesses as their largest emerging market.

#### **Outsource Training:**

#### **11. Training companies.**

Approximately one-third of all small businesses use external sources for their training. Sources of external training include training companies and professional trainers, including those from professional associations, who tend to provide, customized programs targeted to a company's specific needs, e.g., conflict management, sexual harassment, and other management skill areas. "Customized content is by far the single most important concern for businesses".

#### **12. Educational institutions.**

Educational institutions generally provide more generic training developed to meet the needs of the industries and businesses they serve. For example, Guilford Technical Community College in North Carolina has developed a model training division to serve the local area's private sector. Its Business & Industry Services division and Small Business Assistance Center have developed training courses in both the soft skill and hard skill categories. In Ohio, two-year colleges and the vocational and adult education system are providing formal education and training programs for business and industry employees in such areas as statistical processes.

#### **13. Learning technologies.**

Because small companies either lack technology specialists or time for them to train other employees, many small businesses are outsourcing technology training as a way to ensure that it is conducted company wide. Gaining in popularity are training programs offered

over the World Wide Web or on CD-ROMs. These programs are cheaper than in-house classroom training and afford flexibility of time, space, and access. Companies that "engage in more competency-based training, high performance work practices, and innovative training practices are more likely to use learning technologies".

### **Training: Obstacles**

14. Trainers in small businesses face time, space, and staff restrictions because of the limited funding for their efforts. Other factors that influence the type and quantity of training provided in small businesses include perceptions and attitudes such as:

- (a) No recognition of the need for more or better skills.
- (b) A belief that a skill, training is unnecessary and that only experience matters.
- (c) Skepticism about the value of training and qualifications, and
- (d) Fear that employees will take their enhanced skills elsewhere" .

In addition, the experiences of small business owners may cause them to distrust continues training for employees. For example, owners of French companies defined as ill Enterprises (VSE) report a distrust of training for the following reasons:

#### **(a) Their own success had little to do with academic learning**

School learning does not correspond to the ways knowledge is transmitted in VSEs. There is a risk of introducing heterogeneous practices where diversity is threatening the small team size.

#### **(b) Strategies. Support. and Compensation**

Small businesses can enhance employee training by adopting mentoring, coaching, and peer review practices. CD-ROMs, and videotapes, audiotapes, and other media to expand training options and liabilities can supplement company job manuals, packaged curricula, and Worksheets. Other training practices that small companies can use to gear toward high performance include the use of job rotation, quality circles, and problem-solving team practices. Cohen (1998) suggests that, although small companies may have limited training budgets, they can get the most out of their training dollars by

- (i) Assessing their training needs,
- (ii) identifying those needs most important to the company's operation and employee

growth.

(iii) Investigating creative training options, such as outsourcing, distance learning, using volunteers as trainers, and linking to external providers such as equipment vendors, private consultants, industry associations, and technical community colleges. Training support for special populations is sometimes available through company or foundation grants. For example, AT&T, through its Supplier Diversity Program, is contributing \$1.2 million to provide financial assistance and training to high-tech minority-owned companies that are in need of capital for expansion and training.

16. Innovative compensation practices, such as employee profit-sharing, stock ownership plans, and team-based or individual incentives are some of the motivational strategies that have effectively prompted employees in small as well as large companies to seek and continue training. Fusch (1997) proposes offering blue-collar workers tuition reimbursements and onsite professional education to motivate them to pursue higher education. In a pilot skills training project for residential service staff conducted at Oxford Brookes University in Britain, 94 percent of participants stated, "they would like to continue learning and would

prefer opportunities to be available at work, though not necessarily in their work time. A good proportion subsequently went on to join local evening classes or continued to attend the open learning center in a combination of work time and their own time".

### **Summary**

Employee training is desirable for improving both employability and productivity. Through training opportunities, workers can develop and maintain skills that are required for employment in a continually changing workplace. By providing training, employers support the skill development of their employees, thus contributing to the company's productivity and ability to provide quality products and services to its customers. Employees who receive training are less likely to seek employment elsewhere, thus reducing company turnover rates.

## ARTICLE

### **Who says small companies don't train employees? The hot ones always have. And in today's economic environment, even the CEOs of young and resource-scarce companies are discovering the payoffs**

Five or 10 years ago this article would have been very short. Back then it was easy to describe training programs in small U.S. companies: most didn't have any. With a few rare exceptions, most small-company executives would have told you formal training was a luxury they couldn't afford. Big companies had training programs; small companies hired already-trained workers, or their employees learned on the job.

Times have changed. I first realized just how much when, a year ago, my assignment at *Inc.* was to spend several months looking for exemplary small companies. I started calling business experts in various locales and fields, asking them about the small growth companies they found most interesting and impressive.

Here's what happened: somebody would recommend a company; I'd then call the chief executive, do an exploratory interview, and discover that one of the interesting things about the company was its extensive in-house training program. The first time that happened I thought it was a fluke, but it quickly became a pattern I couldn't ignore.

What was going on here? I knew most small companies in the United States didn't have training programs. I'd read all the dire reports about how America's skills shortage was strangling our productivity growth. Meanwhile, a disproportionate share of the hot entrepreneurial companies were providing training to their employees.

Had that always been the case? I wondered. Had we just never noticed it? As I paged through old issues of the magazine I discovered that a number of companies we had held up in the past as models of good management had made a commitment to training early on -- and had gone on to make a name for themselves. They included companies like printer Quad/Graphics, retailer Crate & Barrel, and restaurateur Lettuce Entertain You Enterprises. Last year's national Entrepreneur of the Year winner was Jerry Ehrlich of Wabash National, in Lafayette, Ind., a company with an extensive training program.

Perhaps, then, a few savvy entrepreneurs have always recognized that investing wisely in training when a company is small pays off in growth and financial success. What's new is that today more smart small companies are making that connection and starting their own training programs. For example, researchers at the Southport Institute for Policy Analysis, in Washington, D.C., recently studied just one type of training in small companies: basic-skills programs they dubbed "workplace education." The researchers found a dramatic increase in the number of small companies starting such programs over the past three years. It is still a new trend: the institute reported that, at most, only 3% to 5% of all small companies have workplace-education programs, but an additional 20% want to start them.

A number of factors account for that change in attitude, including the increased interest in total quality management (TQM), which, however much a buzzword, almost always emphasizes employee decision making. Even companies without formal TQM programs find that today's fast-changing, information-overloaded markets favor a company whose entire work force can solve problems and make good decisions. Then, too, the aging of the baby boomers means there are fewer new workers and fewer job hoppers. Those two factors make it more profitable for companies to train the workers they have, since employees are less likely to leave and are more difficult to replace.

Enough theory. In the real world, abstract speculation about our changing economy is not what drives owners of small and midsize companies to begin training programs. Instead, the CEOs I talked to started training programs to meet some very real-world, concrete need. In some cases that need was a dramatic one -- like survival. Mike Plumley, for instance, realized in the early 1980s that if his family's \$30-million rubber company, which supplies the automotive industry from Paris, Tenn., didn't improve the quality of its products, it wouldn't stay in business. So he decided to begin a modest training program, which has since become a broad-based effort. As quality improved the Plumley Cos. prospered, and today the business reports sales of more than \$80 million. "Training employees was not something we decided to do out of the generosity of our hearts," Plumley says. "It was something we needed to do to survive."

But in many cases, the need for training is more subtle. For example, like most company owners, Ray Tom wants to find good employees who will grow with his business. But in Tom's case, there's a big challenge: many of the jobs at his company, the Print & Copy Factory, in San Francisco, consist of operating copy machines -- nobody's idea of a glamorous career. So Tom has developed a comprehensive training program for machine operators. They can go through the program at their own pace and move along a career path that can lead to jobs in management or copy-machine maintenance. Today, Tom says, about 70% of his managers are people who started in entry-level jobs at the company.

In some cases CEOs decide training is the only way they can gain the competitive advantage they want. At Cooperative Home Care Associates, a \$4-million home-health-care company in the Bronx, N.Y., president Rick Surpin knows his company's sole product is the service its home health aides provide. To Surpin, that means the company should invest as much in training as it can afford. Similarly, the Tattered Cover Book Store, in Denver, wants to be known for friendly customer service. So the company puts all new employees through two weeks of training that includes topics such as body language and the best phrasing to use in answering customers' common questions.

In the end, then, all the CEOs who swear by training have the same bottom line: they train because they've decided they must to build the companies they want. In a world of increasingly fierce global competition, a world where many other countries have a better-trained work force, it is a lesson more entrepreneurs will be learning. Bill Nothdurft, author of a book called *SchoolWorks*, comparing the school-to-work transition in a number of countries, tells a story that sums up the attitude of overseas competitors.

Nothdurft remembers being astonished when he interviewed the CEO of a tiny German company ("It really was not more than just a corner garage") and discovered the substantial investment the owner had made in employee training. When Nothdurft pressed him for the reason he spent so much on training, the German appeared confused. "He just sort of looked at me and blinked a couple of times and said, 'Well, what would the alternative be?' "

It's a good question.

When big companies offer training programs, they may lavish millions on everything from interactive computer education to specially equipped training facilities. But when small-company CEOs train, they know how to leverage their resources -- they have to. What follows are some common questions on how to set up training in a small company, and the answers smart CEOs have discovered.

### **1. My business doesn't have the time or money for a conventional in-house training program. how else can I train?**

**Formalize the "buddy system."** Everybody knows the way training gets done in most small companies: an experienced hand shows a more recent hire new skills. The only trouble is, in a busy small business, it's always tempting to put off that kind of informal training until a less harried time -- which all too often never comes. The Print & Copy Factory avoids that problem by providing employees with checklists detailing specific skills they need to be promoted, and managers must check off the skills as they are learned. Since many of the skills -- such as running a wide variety of copy machines -- can be learned only from others, the system helps ensure that informal training occurs regularly.

**Use books.** They're the poor man's consultants. As a CEO, you have unique leverage -- if you recommend and give a book to your employees, chances are good that many will at least try to read it. There's probably no less expensive way to get started on an employee-education program -- particularly on a broad theme like quality improvement. For example, at Pro Fasteners, founder Steve Braccini launched the company's quality program in 1989 by giving a paperback copy of Philip Crosby's *Quality Without Tears* to everyone in his work force, which at that time numbered 30-odd people. The company, a distributor of industrial hardware based in San Jose, Calif., then followed up with two months of weekly discussion groups to review the book. After all that, Braccini guesses, as many as a quarter of his employees never read *Quality Without Tears*. But he doesn't mind. Through the discussion groups, even people who didn't do the reading became familiar with Crosby's basic concepts about quality. That gave ev-eryone in the company some common language and ideas. "The reason we were able to galvanize around that book is because it was simple," Braccini says. "Everybody could understand it."

The Print & Copy Factory also uses books and tapes to provide some of its training on an ongoing basis. The company keeps a lending library of books, tapes, and videos that

cover topics ranging from selling to self-improvement. To ensure that employees really use the material they check out, the Print & Copy Factory has developed a simple form that asks employees to describe very briefly what they learned.

**Try outside seminars and classes.** Let's face it: not everyone's a reader. At the Plumley Cos., CEO Mike Plumley spent a frustrating two years just trying to convey to his managers all the new ideas about continuous improvement of company operations that he was reading about. "I talked till I was blue in the face," he recalls. "I really wasn't getting anywhere." Plumley got much better results when he sent Larry Moore, his director of education, to a two-day seminar on continuous improvement; Moore then designed and taught a short class on the subject to all Plumley employees.

Outside seminars like the one Moore attended can be a terrific way for a small company to train employees; they can also be a complete waste of time and money. The trick is accountability. All too often managers' involvement with the seminar or class process begins and ends with paying the bill. But if you want to maximize the return on your training investment, it pays to have some way of spreading the information learned -- whether through an informal presentation to other staff members or through something more structured. Back in 1989 Ken Plough, CEO of Plough Electric Supply, knew his company, a San Francisco distributor, needed to understand total quality management because customers were demanding it. He also knew Texas A&M University had an industrial distribution program that offered a 40-hour course on quality for distribution executives. So Plough and his managers attended -- a big investment for a company that at the time had 27 employees. To make the investment pay off, the managers used the material they had learned to design an informal in-house quality course for all employees. Since then, Plough says, the increase in his company's profits has far exceeded its training costs.

**Have employees give presentations.** Sometimes you don't even have to go outside your company for seminars -- particularly if you have a group of professionals on staff with similar skills and interests. That's what president Paul Silvis has found at Restek Corp., a regional Entrepreneur of the Year winner that manufactures gas-chromatography products in Bellefonte, Pa. Silvis has found that a good way to keep his scientists learning is to make staff presentations a part of many of their monthly staff meetings. The presentations cover technical topics, such as changes in the technology Restek uses. It's a cheap and effective way to spread knowledge in the company -- and it also helps Silvis spot chemists who have a knack for presentations. They often end up giving the company's customer-education seminars.

**Join forces with other companies.** There are times when the need for outside training for a whole group of employees is undeniable, but that doesn't always mean your company has to foot the bill alone. Consider the experience of Unitech Composites Inc., in Hayden Lake, Idaho, which manufactures composite parts, primarily for the aircraft industry. Like most fast-growing small companies, Unitech had lots of managers and supervisors who were new at their jobs and needed training in management skills. The company was interested in a management-training curriculum put out by Zenger-Miller,

but the price was steep for a small company. At a Unitech board meeting, one board member, the CEO of another local company, said he, too, had some managers who needed training. Soon the two companies joined forces with the nearby community college and another local organization to split the cost of purchasing the training program four ways. Unitech's managers are so pleased with the savings that they are now talking to other neighboring small companies to see if they can arrange additional group training in areas that are not entirely industry specific, such as shipping and supervisory skills.

**Build a career track.** Like Unitech, many small companies that become interested in training keep adding new components to their training programs. Over the long haul, this approach can lead to an integrated training program that grows with the company. Nowhere is that clearer than at the Print & Copy Factory. President Ray Tom, who founded the company in 1976, says he started training as soon as he began hiring people. Now the Print & Copy Factory reports \$8 million in sales and has 180 employees -- as well as a highly organized training program.

In most companies, operating a copy machine is a dead-end job. But at the Print & Copy Factory, Tom has over the years organized five grade levels of machine operators, with gradually increasing pay and skills in areas like copy-machine maintenance. Upon joining the company, each new employee is told about the different levels and given a checklist detailing the skills required to move up, along with a list of all the training sessions available in the company. Some training is required, but much is optional. Most classes are scheduled as needed; if only one employee needs to learn a skill, it is taught one-on-one. In a number of subjects, the company has run a session once and made a video that subsequent employees can watch to learn.

When employees are ready, they can take the various skills tests, which include a combination of written questions and on-the-job tasks, to move up a level. The result? Since much of the training is sought by motivated employees, rather than forced on all workers, the Print & Copy Factory minimizes wasted resources. This method also allows the company to provide a great deal of training in a flexible manner. The company is so happy with its six-year-old career track for machine operators that it is now creating similar programs for other areas of the company, such as administration and customer service.

**2. I want to start an in-house training program, but I'm a businessperson, not an educator. How do I teach? What should the classes be like? Keep it useful; if you're not sure what employees want to know, ask.** The first time the Plumley Cos. taught a short course in rubber technology, the company used a curriculum developed by a university. It bombed. Steve Cherry, Plumley's manager of technical services, remembers looking out at the blank faces of the company's production workers as he was drawing carbon molecules on the board. "They kind of sat here like, 'That's nice -- and when do I get out of here?'" he recalls ruefully. "It just went over their heads." Cherry quickly found out his coworkers needed specific, practical information

about the things that affected their jobs, such as, Why does this compound run and this one not run? Today he starts the rubber-technology course by asking employees to write down what they want to know about the products they make -- and he organizes his classes around the most commonly asked questions.

**Keep it hands on, active, and lively.** Most of the entry-level employees at Cooperative Home Care have an eighth-grade reading level or less, according to president Rick Surpin. "Most of them hated school," he says. "The worst kind of training for the folks we work with is to sit them in classrooms and make them listen to lectures, but that's what people do." So Cooperative Home Care tries to cover most topics in its preemployment training through hands-on demonstrations accompanied by an explanation. Employees will often be asked to discuss a real-life situation, such as how to deal with a difficult patient. They then break into small groups to come up with solutions. By law, home-health-care courses must be supervised by nurses, but Cooperative Home Care adds assistants who have themselves been home health aides. That way, new employees can better relate to the trainers.

**Make general ideas practical by using examples from your company.** Larry Moore has been teaching continuous-improvement techniques to all workers at the Plumley Cos. That could be a general subject -- but not in Moore's class. Because the company wants its employees to learn team problem solving, they spend much of the class working in groups. And to emphasize how the theory of continuous improvement relates to the Plumley Cos., Moore shows a brief videotape he has made of some process in the plant. After watching the video, employees form groups. Then each group must come up with four suggestions for improving that particular process. (In general, Moore is a big fan of using homemade videos to make his points. "If you're in education and training and you don't have a camcorder, you're missing the boat," he says. Moore, like his counterparts at the Print & Copy Factory, has begun videotaping training sessions. He sends the tapes to out-of-state Plumley branches.)

**Give on-the-job assignments and tests.** At the Delstar Group, a Scottsdale, Ariz., retailer, training director Carol Gleason will spend a session in her classes for new supervisors discussing a series of management techniques for a particular situation, such as dealing with a subordinate who has some type of performance problem. As "homework," the supervisors try out the techniques in their stores and then start the next class with a discussion of the results. That way, Gleason says, the supervisors can begin learning not just from her but from one another.

Similarly, at the Tattered Cover Book Store, new employees complete work sheets to ensure that they are learning -- but the work sheets involve exercises like locating specific titles and subjects in the store. At the Print & Copy Factory, the tests employees must take for promotions are as practical as they get: in one test, machine operators have to demonstrate their ability to clear a jammed copy machine.

### **3. How do I make sure employees take the training seriously?**

**Do it yourself.** Nothing conveys the importance a company places on training more than the CEO's participation does. That's why Joyce Meskis, owner of the Tattered Cover Book Store, conducts the first day of all training sessions for new employees. She's also the best person to cover that first day, which deals with the company's history and philosophy. These days companies talk a lot about the importance of their mission statements and values; there's no better way to communicate those to new employees than to have the founder do it.

**Celebrate accomplishments.** At Tabra Inc., a \$3.7-million *Inc.* 500 company that makes jewelry in Novato, Calif., employees who completed the company's English-as-a-second-language training received a certificate, a rose, and lots of applause at a staff meeting. Cooperative Home Care holds catered graduation ceremonies at the end of its preemployment training. And when managers at the Plumley Cos. asked their employees who were taking high-school-equivalency classes what they wanted besides a ceremony to celebrate passing the test, it turned out to be the little graduation-cap tassels that many of their high-school-graduate friends had hanging from their rearview mirrors. While not every course warrants a cap-and-gown graduation, everyone wants some form of recognition for hard work. Ray Tom gives copy-machine operators pins for their uniforms that list their grade level, so employees are visibly recognized for their achievements and skills.

**Treat training as an integral part of the job.** You can make training essential in any number of ways. At the Delstar Group, employees in the company's stores know that as soon as they're promoted to supervisory positions, they must take a class to learn about their new jobs. At Unitech, which relies on more experienced employees to provide some on-the-job training, the company has a gain-sharing program that shares profits with employees as a group after productivity, quality, and safety goals are met. Thus, its workers have a strong incentive to train their new colleagues well -- so their own bonuses won't be hurt. And at Cooperative Home Care, the company views its preemployment training as a preview of its new hires' work ethics and a good chance to weed out employees who don't measure up. Reasons Surpin: if people are late to training, miss class, or have a hard time working with others, they're going to have the same problems in the workplace.

**Use rehearsals.** When Plough Electric was preparing its quality course, Ken Plough created a steering committee of managers. Each manager presented an outline of his or her section of the course to the committee for suggestions. Then, before teaching the class, each manager did a dress rehearsal for the committee. That, Plough thinks, improved the experience for both the teachers and the taught.

### **4. Where can I find course material -- or someone to design a course?**

**Big companies you work with.** If your company is a supplier to large companies, they can be an excellent source of training material -- and it's usually in their interest to

provide it to you at a reasonable cost or even for free. Unitech, for instance, borrowed an old blueprint-reading curriculum from customer Boeing, then added, deleted, and modified material to fit its own needs. (One example: Unitech, as a supplier that produces only parts for airplanes, found it could do without the sections of the course that discussed blueprints for the entire airplane.) Similarly, Unitech has found that manufacturers such as Du Pont, which makes one of the materials Unitech uses extensively, are happy to send in technical staff to teach the relevant sections of the company's training program.

**For that matter, any company you work with.** Steve Braccini of Pro Fasteners has followed that approach. In addition to hiring consultants he knew to teach classes, he turned to business associates for their expertise in particular areas. Pro Fasteners' lawyer, for instance, taught a class explaining such things as Occupational Safety and Health Act regulations to the company's employees. And when Braccini wanted his employees to learn more about the company's financial statements, his banker taught that class for free.

**Trade associations.** In addition to industry courses and seminars, trade associations sometimes offer publications that are good resources for industry-specific in-house training. In a few cases, they may even have a detailed training curriculum customized for your industry. For example, the National Association of Printers and Lithographers (NAPL), in Teaneck, N.J., has developed a basic-skills program specifically for the printing industry. The employee workbooks (in small quantities, \$25 for members; \$35 for nonmembers) teach employees to solve problems that crop up in printing operations, like converting the measurements on a job ticket from inches when using a European-made metric machine. Unfortunately, programs like NAPL's are still rare in this country.

**In-house expertise.** Is there anyone in the company who has received formal training in a particular area? When Paul Silvis of Restek and his vice-president decided to offer a management-training course in the young, fast-growing company, they both culled material from their own reading as well as the notes from courses they had taken. With both of their notes and ideas, they were able to develop a curriculum they liked.

##### **5. Is there any outside assistance available for in-house training?**

**Community colleges and other local institutions.** Often community colleges are the educational institutions best suited to provide affordable and practical training to small companies. In addition to their regularly scheduled vocational classes, community colleges may be hired to provide instructors and help develop a customized curriculum, if you have a large enough group for a class of your own. In fact, Bill Reinhard, director of news services for the American Association of Community Colleges, claims he doesn't know of any community colleges that do *not* have training relationships with area businesses. "Community colleges work a lot on partnerships with industry and business," agrees Curtis Plott, president of the American Society for Training and Development (ASTD), in Alexandria, Va. "They clearly see that as their mission."

One caveat: if your training is relatively brief or nonacademic, it can get short shrift at a community college. For example, Rick Surpin of Cooperative Home Care tried using a community college to train home health aides. He found the college gave a low priority to teaching a three-week hands-on class to a group without much formal education. Then, too, community colleges aren't the only local resources available. In the Southport Institute's study of workplace-education programs, researchers found small companies were most likely to turn to community colleges for help designing basic-skills programs. But they also found that, when it came to teaching basic skills, there was no evidence that community colleges did a better job than volunteer groups or programs run through local public schools.

**State programs.** When Tabra needed to train its production employees in English as a second language, the company was able to get two grants from the state of California to cover the cost of an outside instructor. Human-resources manager Joyce Shearer found out about the state program through the local literacy council, and she reports the funding was not that complicated to obtain.

The good news is that many states have some type of funding available for training; when ASTD last surveyed the states, in 1989, 46 had some training funding or tax credit available. The bad news is that the state programs can be housed in one of many state departments, from education to economic development to labor. One suggestion: Plott of the ASTD recommends that the place to start looking is your state's economic-development authority or department. His reasoning: its mission is business assistance. As a result, even if a training incentive is run through another department, the economic-development staff may be able to direct you to it.

**Federal programs.** You can expect an increased emphasis on training under the Clinton administration; one campaign proposal included a requirement that companies spend 1.5% of payroll on training -- or pay the money into a government training fund. What's not clear is whether there would be a small-business exemption to such a requirement, according to Todd McCracken, legislative coordinator for National Small Business United.

In the meantime, there is a federal program called the Job Training Partnership Act (JTPA). Its subsidies are, however, targeted very narrowly to "economically disadvantaged" employees, such as low-income people or displaced workers. If much of your employee population fits that description and you do a lot of training of new employees, it's worth looking into; for example, Unitech in northern Idaho and Cooperative Home Care in the Bronx both use JTPA funds.

Be warned, however: there are plenty of problems dealing with JTPA, and amendments Congress passed last fall may soon make it even tougher to work with. Surpin, who works directly with the program, describes the paperwork as "somewhat of a bookkeeping nightmare" -- and the cash flow in reimbursement as "terrible." Unitech avoids that problem: it uses the Panhandle Area Council, a local economic-development group that works with many of the area's unemployed, as a referral source for candidates

for entry-level jobs. The council takes care of the JTPA eligibility requirements and paperwork; in addition, Unitech saves some time interviewing, because the council screens out unlikely candidates.

**6. Now I've got a lot of information. but I still don't know one crucial thing: where am I supposed to start?**

Unfortunately, there's no one good answer to that question. The system to deliver training in this country is highly fragmented -- and highly inconsistent in quality. It could be that in your location, you have one of the best community colleges and the worst state training incentives around -- or it could be just the reverse. While academics and policy types are busy lamenting this confusion, as a small-business person, you're pretty much on your own.

The fact is, many of the companies interviewed for this story made some false starts before they developed the training programs that work well for them. What matters more than where they started was the fact that they did start -- somewhere, anywhere. As the training programs developed companies sometimes switched providers as they better understood their needs -- or found better resources.

A typical example is Tabra, whose training program started with private English-as-a-second-language (ESL) tutoring for two key production employees. But human-resources manager Shearer wasn't satisfied with that approach, which was expensive. So she decided to get training from the local literacy council to be a tutor herself. Eventually, through the council, she found out about California's training funds, which enabled Tabra to offer full-fledged ESL classes. In the end Shearer's experiences with the private tutoring helped her design Tabra's ESL classes: by that time she had already learned that the key to making the program effective was to focus strictly on work-related English.

You also don't need a lot of resources up front to launch a training program. Instead, it's more common for a company to start small, as Tabra did, and gradually expand the training it offers. What seems to happen is that as managers get more experience with training and its results their commitment begins to escalate.

Probably the most dramatic example of that phenomenon is the Plumley Cos. When Mike Plumley started out by hiring the local vocational school to teach his employees statistical process control, about a decade ago, he had no idea his company would someday be offering in-house classes in everything from basic Japanese to rubber technology. But he found that the more he trained his people, the better his company did, and that was enough for him. It's a simple equation, really, and Plumley puts it simply. "The more we've been able to improve education, the better we've been able to manage our business."