# Training in a Down Economy

**Do you cut it or keep it? Two training experts present a variety of solutions manufacturers are using.**

Everyone in manufacturing believes training is important. But tough times put that belief to the test. While true believers maintain or strengthen training efforts, doubters or those on weak ground cut back. Some say training is like advertising, and should continue regardless of economic swings. Others call it a luxury.
Where you stand likely depends on your corporate culture as much as your budget. If training has always been a part of that culture, tough times probably won't change that. If training has never been routine, it probably won't become so in tough times.
These attributes are not linked to companies of any one size. Large and small operations follow both paths, suggesting that training is not a luxury, and not a strategy enjoyed only by the large and powerful. As stock prices have fallen over the past year, for example, some large companies (Lucent Technologies and Tellabs, Inc., among others) have been at the forefront of shedding training staffs. No doubt, these organizations understand the benefit of having training staff on their payrolls, but have decided to let the ebb and flow of business dictate their training budgets.
Is there a better way? Are there dependable strategies to ensure training can continue in tough times?
The answer is "yes," but new approaches to training often require creativity, the ability to do more with a reduced budget, and the ability do more on your own.
In reality, manufacturers intent on maintaining training schedules have been doing all of these things for some time. At SC Johnson, for example, the Racine, WI-based worldwide manufacturer of consumer household products, localization of its training efforts has helped the large company keep costs down while keeping training in place.
"We're doing more internally developed training," says H. Turner Muir, the company's global marketing and training manager. With facilities on six continents, the company said the cost of training-related travel had become prohibitive. As a result Johnson is encouraging managers to pursue less formal training methods where people can get together on-site to share information, particularly best practices. "We are more focused on creating an opportunity for people to learn," says Muir. "Now we create, develop and launch a course and maybe tweak it after the first pilot. That's it. We don't go back and re-design. We just refresh as needed."
Muir says he provides managers with tools and job aids that facilitate best-practice sharing and implementation. This saves the company the expense of flying him out to consult with teams or flying employees to central locations. The company is also shifting emphasis and resources away from post-training evaluations, he says, and into new courses, as needed.
Muir says the new approach is more short-term, and geared toward helping people immediately rather than providing long-term skills. Employees accustomed to a

variety of regular training options are often surprised by the change, he says. But so far the program, in use for about 18 months, has helped make local managers more self-sufficient. It will also prevent employees from taking training for granted, he says, something that fewer employees can do under the current economy.

"Training and development is a perk for employees," stresses Paul Winsauer, vice president of human resources at Castle Metals, a Franklin Park, IL-based manufacturer and distributor of specialty metals. "We cut training last year by $250,000," he says. "We reduced dollars on both formal training and program development."

But the company will not forego training altogether, according to Winsauer. It will make up for lost training dollars, he says, by using internal, on-site staff trainers such as plant supervisors as well as his own human resources staff.

Many companies turning inward to meet training needs have turned to the Internet. The trend, which began in the 1990s, has only gathered more momentum as the economy has slowed. According to reports compiled by Learnframe, a Utah-based developer of Internet training courses, the market for electronic-based learning is projected to exceed $7 billion this year, compared with $234 million in 1997, an annual compound growth rate of 98%.

The company suggests this growth figure can be applied to revenue and content volume, as well as related services and tools. The list of manufacturers that have integrated electronic learning into their training programs includes the giants General Electric, DuPont and General Motors, among many others as well as hundreds of smaller manufacturers. All have turned to it for the same reason: ease of use and cost-savings, primarily, as well as its ability to archive information and react quickly to customer needs.

But the Internet cannot supplant hands-on training. And with the labor and budget cuts many companies have experienced in the past two years, hands-on training is needed to not only build capabilities of remaining workers, but help them work more efficiently. At Snap-on, Inc., the Kenosha, WI-based tool manufacturer, production training has continued, says Sharon Brady, Vice president of human resources, despite "tough cost reductions and other kinds of constraints." Kaizen blitzes are being used, she says, in an effort to produce quicker gains at lower cost.

Brady says the company is also relying more on communications programs. These include presentations and printed material that reiterate major corporate programs. She says the company held a successful on-site conference in Sep-tember that was devoted to company strategy, leadership competencies and management's expectations of leaders.

Not all companies have had to cut back on training. Christina Kamer, director of human resources at Harting, Inc., an Elgin, IL-based manufacturer of electronics connectors, says the company considers training an investment, and a "part of doing business." Next year, she says the company will bring in external trainers for initiatives that demand outside expertise, such as customer-relationship management programs and software classes. Internal staff will continue to develop and deliver technical training.

So while tough times have not changed the value manufacturers place on training, they have changed how it is conducted. More training is done internally, either in person, via the Internet, or both. Training interventions of all types are becoming more just-in-time, and their links to overall business strategies are receiving greater emphasis. Even though many organizations are in cost-cutting mode, training that is strategically linked to the business should and often does remain a necessary expense, even though its format changes with the times.

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