

## **Cutting That Training Budget Is a No-Brainer, Right?**

Reduce the budget now! After all, conventional wisdom tells us that when the going gets tough, it's easiest that training is the first to get going. But this may not be so wise. For cutting the training budget might just be cutting into your organization's future success.

According to a study soon to be released by the American Society for Training and Development (ASTD) organizations are slicing into resources that support learning and are taking a close look at their learning budgets. And why wouldn't they? To a CEO or CFO, this appears to be the easiest decision. But if you dig a little deeper, you'll find that eliminating training is not the answer to surviving in a tough economy.

Instead, companies should be looking for better ways of doing things in the learning function. Organizational leaders need to reprioritize, according to Tamar Elkes, co-author of *The Learning Officer* and rethink the way that learning is delivered into the organization. They must demonstrate fiscal responsibility, and do this especially in a down economy.

As done in other parts of the organization, it is crucial to stay innovative. And now is the time, as market share can be won or lost during transitions and cutbacks. It will be important for CEOs to turn their heads on conventional wisdom and invest through the downturn in the economy. This is the time for long-term thinking, since short-term thinking has often been the downfall of training departments worldwide. This will demonstrate commitment to increasing employee productivity and overall organizational performance. Investing in learning initiatives that will sustain growth and drive productivity, will set these organizations apart from their competitors and drive future growth.

So how can you do more for less? ASTD recommends e-learning, simulations, and other online options, as they are not only convenient and less time-consuming, but they are relatively inexpensive. And not everything needs to be high-tech to be cost effective. Network-friendly practices, such as mentoring, coaching, and encouraging communities of practice but create leverage. The trick is to increase, and not erode, the organization's intellectual capital during the downturn. The truth is the hidden cost of downsizing is a dramatic decrease in valuable knowledge.

The bottom line: random slashing is a lousy option. Learning functions need to get creative and improve their store of knowledge by using technologies and adopting better ideas. And they can become efficient while also having a positive impact on the organization. Deep cuts in training can have a dangerous effect on future performance. For investing wisely in workers' skills can ensure that organizations will gain real ground when the economy recovers.

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