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Employee Training During a Recession:

To Cut or Not to Cut?

Greetings!

In this undesirable economic environment, governments and companies alike are being faced with budget cuts, layoffs and restructuring. The question of where we can cut back is inevitable - and daunting. So where can municipalities, government agencies and companies that want to thrive through the economic downturn reduce costs?

Often one of the first line items to be eliminated is employee training. Organizations tend to view training as a frivolous benefit for employees and fail to see how it can increase the company's profitability or efficiency. Studies have proven, however, that cutting employee training is one of the most common mistakes made during a recession.

"When budgets get tight training often is viewed as nonessential," said Richard Hart, director of ProActive ReSolutions. "The business case for developing staff is actually quite compelling. Effective training can keep employees engaged, effectively reducing absenteeism, improving motivation, and boosting office morale. All of which have a direct effect on an organization's bottom line."

A recent report put out by the Cranfield School of Management compared the benefits of recruiting externally to developing existing employees. The report found approximately 50 percent of the 1,189 companies surveyed saved money training existing staff. A third of the companies also found the training increased employee motivation.

"Cutting training is a false economy," said Emma Parry, senior research fellow at Cranfield. "This research demonstrates growing your own employees is an effective way for organizations to obtain the skills they need while saving money."

To find out more about what kind of training can increase your organization's efficiency in tough times, visit our [website](#).

Sincerely,



ProActive ReSolutions Inc.

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