

Employee training boosts performance, staff morale

Personal growth

BY CHIRÉE MCCAIN ■ FOR BUSINESS FIRST

Dave Koch makes no secret of the fact that he brainwashes his employees.

"Most of us need brainwashing so we can think success," says the president and CEO of Fiber Network Solutions Inc., a privately held, Columbus-based tier one Internet backbone provider with 40 employees.

At FNSI, the brainwashing program includes instruction in goal setting, time management, personal finance and problem solving.

Koch says there are no exams at FNSI, and he has no yardstick but the company's success to measure the training program's pay-off. But the instruction, he says, is the reason FNSI has been able to "beat the pants off" the larger providers.

In 2001, the company was number 68 on the Inc 500, the magazine's list of the most financially fit businesses. According to the magazine's rankings on Inc.com, FNSI grew from nine employees and \$265,000 in revenue in 1996 to 39 employees and \$8.2 million in revenue in 2000. In 2001, Koch says FNSI exceeded net income projections by 60 percent, despite falling 10 percent short of revenue projections.

FNSI has achieved that success in a tough industry and a tight economy.

"To my knowledge, we're the only tier one provider that has a business model that makes money," Koch says.

Koch says the company had about 160 competitors when it was founded in 1995; now, there are less than 30.

"It's just because we teach people to think for themselves. We tell them, 'We want you to take responsibility.' When you give that to a kid, they just rise to the occasion. That is why we've been so adamant about training," says Koch. "We have a group of thinking, dynamic people, as opposed to people who just breathe the air and drink the coffee."

The training program involves lunch-time seminars, after-hours and weekend training, self-study, a weekly article review meeting to share trends in the industry and a monthly book review on success literature. All but the most technical training is done in-house, but Koch takes no credit for the material. It's based largely on material that's already out there - literature on goal setting, time management and personal finances.

The training program worked for Brian Shearrow, who started his career at FNSI in 1996, as a gofer and receptionist.

"I didn't have any advanced knowledge about the Internet," Shearrow says.

With technical training and the standard corporate brainwashing, he rose to his current position.

"I'm 24 years old, and I'm director of network operations. Most of my peers (at other companies) are 40 or 45 years old," he says.

Koch estimates that 90 percent or more of the training investment is in his time and his managers' time, not in materials. Koch insists employees buy their own books.

"If somebody can't invest \$5 for their own self-improvement, I don't want to invest \$5 in them," Koch says.

But Koch has invested in his employees in other ways. Koch says the company has paid off credit card debt for five or six employees, taught them how to manage their finances and helped them formulate a personal budget. While it costs the company a few thousand dollars and the personal finance skills probably won't be applied to the job, Koch says the company does benefit. FNSI gets employees who are not distracted, he says.

"Who benefits from getting this kid to a point where he's no longer worried about his finances? Everybody does," Koch says.

That kind of personal growth training may also lift morale, build employee loyalty and improve retention, says Joan Berry Kalamas, director of the Graduate Management Institute at Ashland University, district director for the Ohio State Human Resources Council, and past president of the Human Resources Association of Central Ohio.

"You're building good relationships and goodwill and extending learning opportunities that your employees wouldn't normally have," Kalamas says.

In-house vs. outside training

Koch is committed to providing instruction in-house. He says he's not convinced that colleges teach practical business, and consultants may not always measure up.

"Sometimes you get an instructor who doesn't teach it with the enthusiasm and doesn't teach it with the depth of belief that we do," Koch says.

Professional associations can provide leadership training for employers who feel

they don't have the resources, however. One example is the National Association of Home Builders' University of Housing, which has been offering technical and management training since February.

Meanwhile, the Ohio Society of Certified Public Accountants is offering its third season of Center for Leadership classes. OSCPA President and CEO Clarke Price says the organization offers nearly 300 full-day to three-day courses, and one-fourth to one-third of those deal with leadership and other soft skills.

Kalamas says both in-house and outside training offer benefits. Insiders know the employees and their needs, but they may not have the skills to teach all the programs they'd like. Plus, she says, employees sometimes view outsiders as experts and value the information more.

Measuring results

Price says it's difficult to measure the pay-off for the Center for Leadership classes.

"These kinds of programs are clearly much more difficult to measure in any tangible way," Price says. "And yet I can tell you in our experience, there's an increasing demand."

But there are quantifiable ways to measure the results of a training program, Kalamas says.

Employers can measure the trainees' reaction with attitudinal surveys, or test what they learned with exams. But if employers want to see real results, Kalamas says, they should measure the training transfer - the application of the new skills on the job.

"Sometimes, people see these wonderful examples in training, and then they can't figure out how to take it back and make it work in the real world," she says.

Kalamas says trainers should show employees how they will be using the new skill on the job, then make them accountable by putting it on their evaluation forms.

"You're asking them to demonstrate that they've acquired this knowledge, but they've also applied it," Kalamas says.

Finally, employers can measure other potential results of a training program, such as increased retention or increased sales, and - in the case of personal finance instruction - increased 401(k) contributions, Kalamas says.