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for Impact Investing

GIIRS Emerging Market
Assessment Resource Guide:
Worker Training and Education

What's in this Guide?

I.   Importance of Worker Training and Education

Companies need to ensure that the staff member's skills sets are in line with the increasing pace of economic and technological change in order to maintain business performance. The ongoing improvement of skills, through training and education, can:

- Boost productivity
- Enable a company to attract and retain skilled labour
- Create employee promotion opportunities
- Improve standards of living
- Increase innovation and adoption of new technologies or trends in the sector
- Increase knowledge and learning
- Create new ideas and increase research ideas

II.   Developing a Worker Training and Education Program

The type(s) of training program a company adopts will be influenced by many considerations, including:

- **Company growth**: It is important to review the growth projections or plans of the company when developing a training program for its workforce. This will ensure that as the company grows, its employees' skills grow along with it, making them able to meet growing demands. For example, if an organization plans to migrate to a new customer relationship management system, training its workforce on the new system will help facilitate a smooth transition. Arranging for the accounting department to attend an annual training on updates to financial reporting requirements will ensure that the company's financial performance is properly tracked and compliant.

- **Position of the employee:** Training of new hires is necessary to ensure that they can meet their job responsibilities. In addition, many companies encourage continuous training for all employees to ensure lifelong learning. This can include training on new technologies or policies as they are introduced to the business. Training should complement employee goals and be in line with their career plans. A business can conduct a staff survey or in-person interviews to learn what training will be of greatest benefit to staff members.

- **Additional skills development:** Employees from chronically underemployed communities – those whose members are consistently employed at rates lower than the general population, such as indigenous populations – tend to have only basic education, and a company can offer training to ensure they have the skills to carry out their work. This might include hosting financial literacy classes, providing reading and writing courses, or offering tuition coverage for adult education.

- **Frequency of training:** This is heavily influenced by the sector in which the company operates and the position of each employee. If the company operates in a technological environment that changes rapidly, trainings will need to be more frequent.

- **Subject matter:** The primary consideration in selecting a trainer should be his or her qualification as an expert in the subject matter. The training offered can be internally led (by management team, supervisor, training officer) or external (through third party partnership with a human resource consulting firm, capacity development organization or educational institution). While external training may be more expensive, it has the added advantage of bringing outside expertise, new ideas and an external perspective to the organization.

III.   Intentional Training and Education for Chronically Underemployed Workers

The WTO in its Trade Mandate highlights poverty and gender as some of the key hindrances to the integration of emerging markets to the global economy. Access to education and trade skills is limited for those who come from chronically underserved communities. As a company, you can establish programs that are tailor made to help develop skills for this group. When developing a training program, it is important to identify the staff members /potential hires who fall in this group and what gaps need to be filled.

Open Hiring Program – An open hiring program requires a non-discriminatory, transparent hiring policy. The policy requires employment consideration on a first come, first served basis. Employment decisions should be based on the ability or potential of workers to perform the responsibilities of the open position. Non-discrimination policies should be compliant with core ILO tenets. Simple ways of developing such a program include:
- Posting or listing all employment possibilities publicly; for example on the company website or with an employment agency

- Developing a standardized interview/screening process for applicants
- Outlining the hiring process for applicants, which can include a description of various stages of the hiring process, a job description and the expected requirements of the applicant
- Ensuring hiring practices are in line with the local/state law to avoid any litigation issues
- Posting the ILO-compliant, non-discriminatory open hiring policy publicly

Technical/Professional Training Program – Most people from chronically underemployed communities have limited access to employment opportunities due to a deficiency in skillsets. Companies can set up programs to train such employees on their job requirements and cross-job functionality. This will enable them to grow and help move them along their career path. Technical training often enables temporary or informal workers to move to formal employment.

Life Skills Training – This takes a holistic approach to training so that workers can gain skills to better manage their lives both at work and at home. Training can involve:

- Health management
- Personal financial planning
- Dealing with conflict at work and home
- Interview etiquette, negotiation skills and confidence development

Case Studies:
HIK Abalone Farm
A GIIRS Rated company based in South Africa, HIK Abalone Farm adopted the government's Broad-Based Black Economic Empowerment (BBBEE) policy that aims to increase employment for Black South Africans who have a history of chronic unemployment. The company carried out a review of staff needs and noted that financial skills ranked high as an area for improvement. HIK Abalone developed a remedial financial training program that focuses on basic math skills that cover primary to high school level for their staff. They have now also incorporated financial management training. in what? For all workers?

Fairfield Dairies, Ltd.
To better tailor their training programs, many companies ask employees what areas they are interested in learning. Fairfield Dairies Limited, a GIIRS rated company in South Africa, developed a health care training program for their employees. The classes focus on the prevalence or HIV and communicable diseases like TB. This session are open to all members of staff, and also provides free access to testing and treatment.

IV. Policy Development

In developing a training policy, companies generally:

- Carry out surveys or utilize other evaluation techniques to determine staff training and education needs.

- Identify what the training or education program will cover; subjects may include:

- o Core job responsibilities – This covers basic skills employees need to perform their job functions and is generally incorporated as part of the employee orientation process.
  - o Differentiated training programs – This provides different types of employees customized training, and can be based on job function, cross-training, life-skills training needs or upward advancement training. For example, a managerial training program for non-managerial workers can help employees gain management skills to prepare them for future management roles, especially when coupled with a policy of internal promotion.

- Determine the structure of the training programs and identify qualified trainers:
  - o Trainers may be internal, external or a combination of both.
  - o The duration of the training program can be short term, in order to fill a specific need, such as the roll-out of a new software system. Alternatively, trainings may be part of a larger educational program, such as lifelong learning, which ensures continued training and development of staff and is on-going. Examples of lifelong learning include basic skills development courses and seminars to ensure compliance with new policies.

- Reach out to their networks for recommendations and introductions to industry specific training experts.

- Develop a partnership with external service providers, ensuring that both parties understand the goals and expectations of the training.

V.   Human Resources and New Employee Training

Human Resources departments and personnel are critical to most employee training programs, particularly onboarding of new personnel. Any staff person, regardless of prior employment experience, needs to understand the policies, culture and systems of a new workplace. Human resources teams should spend time with new staff to ensure that staff:
- Gain familiarity with the company, its mission, departments and structure
- Understand their job responsibilities
- Can identity their training needs, interests and skillset deficiencies in conjunction with training staff, who can develop an appropriate plan for training and education
- Have function-specific training as designed by their direct managers

VI.   Implementing a Training and Education Program

Once a company has developed a training and education policy, that outlines both the parameters and goals of the program, implementing the program should be based on the findings of the employee survey and needs of the company.

1. **Internal training**: Internal training can be particularly successful for the training of new hires, as the internal staff member is often more familiar with company systems and practices, and for

subject matter in which the company has particular expertise. Other benefits of internal training include:

- **Use of mentors or personal coaches** – Mentors and coaches can help new hires, chronically-underemployed and junior staff members in identifying and meeting work and personal goals. They serve as an ally for the staff person inside the organization and help them track their progress and pursue new avenues for personal development.
- **Training offered by an in-house specialist** – This can be a staff member with specialized certifications or expertise, or who has developed a new process or practice in the company, who can give targeted trainings in a particular subject matter. Internal trainers need not only subject matter expertise but also the ability to communicate effectively with an audience or individual trainee.
- **Training Officer** – Some larger companies may elect to designate a specialized training officer, use supervisors to train new staff or identify a department to meet employee training needs, generally the Human Resources Department.

2. **External training** – External training is offered by a third party expert trainer. Expert trainers are particularly useful for new processes, systems, policies and regulations, or they may bring highly technical subject matter expertise that is unavailable in-house. External training may include:

- **Consultants** – Companies frequently hire external consultants or training institutions to conduct staff training workshops or seminars. Such external trainers can often be found via professional or industry groups or through referrals from other companies.
- **Tuition reimbursement** – Companies can offer to cover some or all costs of a diploma, bachelors or graduate degree course that employees are taking to further their job skills.
- **Trade associations/networks** – Such groups are designed to encourage lifelong learning and professional development if their members, and they may be arrange training seminars for members at lower costs.
- **Investors** - Some investors/fund carry out capacity building for their investees at a subsidized rate or for free
- **Government agencies** - Sometimes, governments and NGOs offer technical assistance in the form of training; so companies may check with the applicable government ministry for training resources available to SMEs.

3. **Monitoring and review of training program** - Training programs are only effective if they meet their goals and remain relevant in the face of changing technology and business practices. Monitoring of progress, particularly at the employee level, should be ongoing, whereas periodic reviews of the training program overall should happen annually or as updates are needed.

- **Individual training plans –** The training process begins both with an identification of employee needs and interest. Many programs choose to have individual mentors,

coaches or small groups that consistently track employee progress and provide a feedback loop. Specialized training plans can be drawn up at the individual level, and the company should monitor employees progress toward their goals.

- **Employee feedback** – One of the best ways to determine if a program is effective is to solicit feedback from trainees and test them on new skills as appropriate. Feedback should be anonymous when possible so that employees can be more honest with any negative criticism. The goal is to improve the program and make sure employees are learning; so this type of feedback is critical.
- **Introducing new trainings** – As a company grows, the types of trainings offered will necessarily change. Keeping abreast of developments in industry allows for training programs to remain relevant and improves business performance.

VII.   Useful Sites

International Labor Organization (ILO) – Skills and Employability Department – multiple articles and training resources: http://www.ilo.org/skills/lang--en/index.htm

International Training Centre – resources on multiple employment issues, standard course curricula available: http://www.itcilo.org/en

Latin American Center for Development of Knowledge in Vocational Training (in Spanish) – ILO program focusing on SMEs: http://www.oitcinterfor.org/productividad/inicio