Training is a vital part of company development - determining and measuring how training directly affects wages and productivity is a vital tool that effects the whole company and can be used to discover hidden skills within a workforce.

Background
This project was developed with and financed by IDB. The client, a national retail chain, was struggling to quantify and qualify the impacts of its training programmes; all managers were promoted from within the company and they realised that they needed a culture change to further increase the effectiveness of both managers and staff.

The geography of Chile meant that some stores were many hours away from head office. Direct evidence-based changes were needed to effectively change how the company was managed how training would make a difference.

Our Solutions
Our first action was to gather a range of business information on the company, its employees and its existing training programmes using the results of a set of employee engagement surveys and 360 degree reviews on selected stores that we devised. By analysing the results and with the appropriate training needs analysis, we were able to customise the necessary training programmes to measure existing skills against the company’s requirements and needs.

Additionally, by evaluating the current range of training plans People 1st International was able to initiate brainstorming sessions to determine the best skills tests and measures before and after the intervention.

The proposal for the new training courses was presented with a set of options, in terms of content and delivery methods within the design. Translations and validations, tailored specifically for the Chilean context, were also put in place and we also used a return on investment tool at the beginning of the project so that the clients would understand the impact of the new training programme.

Outcomes and Impact
The project so far has provided a training framework that is embedded in the organisation; the uniqueness is in building a training programme that impacts on the real needs of the business and develops its own internal capacity.

Already, a cohort of managers have been trained in delivering management skills to their peers and the company is starting to see a return on its investment. All stores that took part in the training saw increases in productivity. In stores where training was undergone by both staff and managers, there were substantial increases in daily sales, and the company is confident that the roll-out of the programme will continue to deliver increases in productivity.

Chile
"This intervention is a useful measure of the effect of training on labor market productivity in the context of one of the largest retail firms in Latin America.

The identification strategy relied on the experimental design, as well as individual-level longitudinal information gathered from the firm. The estimates suggest positive effects of the training program on sales and transactions per worker.

This result is confirmed in the cost benefit analysis. The findings point towards the feasibility of increasing productivity with a high quality, well-designed and optimally delivered training program targeted to increase socio-emotional skills, specifically leadership and communication, identified as crucial in the productive process of the firm."

Gracianna Rucci, Lead Specialist, Labor Markets Economics, Inter-American Development Bank

This project was developed in partnership with the Inter-American Development Bank.
About People 1st International

People 1st International is an employer-led skills and quality assurance expert.

We develop and quality assure industry relevant skills solutions in the UK and internationally across apprenticeships, work-based learning and technical vocational education, as well as providing an consultancy service internationally to support countries in developing sustainable skills models.

Our employer-led approach gives us an unparalleled insight into the skills priorities now and in the future, with critical industry partnership collaborations that bridge the gap between employers and government.