

# Risk management of staff training

*As an investment to the enterprises, staff training has both risk and income. So the risk management of staff training turns to be a key link of the human resources management work in the enterprise. In this paper, starting from the connotation of employee training risk management, it is shown that the main reasons of employee training risk are as follows: the wrong idea, the imperfect training system, unreasonable training technology, loss of talents, cultivating the competition, enlargement of professional and technical secrecy, and the time lag of getting training benefits. Aimed at different causes of the staff training risk, the measures to prevent the occurrence of risk or reduce the loss of training risk to minimum are put forward. They are establishing a correct concept of staff training, building the effective training system, adopting appropriate training technology, preventing the loss of employees after training, strengthening the protection of enterprise technical and commercial secrets, eliminating or reducing devaluation of training project value.*

**Keywords:** Training, training risk, risk management, risk management of training.

## 10. Introduction

As a basic work of human resources management, staff training is becoming more of a concern of the enterprise. With the development of the social economy, all kinds of training become popular. That is because more and more people and companies are conscious to the importance of improving their own or the training. However, many companies are negative to training because of the high risk. For example, the price of training to the enterprise decreases as the time passes by during the period of training. All kinds of complex factors cause unstable of loyalty of the trainee to the enterprise in the intense competition. The talent drain will firstly weaken the strength of talent group of the enterprises and take the input of the training away. What is more, the trainees trend to important or key posts will pose a threat to the original enterprises as plenty of producing and business information they master divulge to competitors. The training is an important human resources investment with both

risk and profit as other kinds of investment. A series of reform caused by knowledge and its own characteristics of enterprises makes the risk of training management more outstanding. So, how to combine the manage practice with policies of training in the background of knowledge economy in order to prevent training risk and concern risk management is an important project we should research.

So far, however, the research for training risk management are mainly developed from the following several aspects unilaterally. One is the balance of payment of training investment to minimize the training risk based on the perspective of human capital investment [1] [2] [3]. Two is establishment of training risk prediction and protection system from the training process – the training need analysis, training design, training implementation, training assessment and achievements transformation [4]. Three is controlling the training risk from the aspects of training system construction [5]. Four is putting forward different control measures for different training risk types [6] [7]. But few studies have systematically and comprehensively carried out on the risk management of staff training. On the paper, the causes and the corresponding risk management measures of training risk are analyzed comprehensively and systematically on the basis of above research from several aspects, which will perfect the related theory, and provide guidance to enterprise staff training risk management practice.

## 2.0 Connotations of risk management of staff training

### 2.1 MEANING OF STAFF TRAINING

Staff training is a management activity carried by some organizations. The staff will be trained with certain purpose and plan in various ways to promote the improving of efficiency and the realization of target. The purpose of which is updating the knowledge, developing skills, improving the motivation, attitude and behaviours to make the enterprises adapt to new requirements or mastering the present jobs better or turn to higher grade jobs.

### 2.2 MEANING OF TRAINING RISK

The training risk is one kind of possible risk which brings visible or invisible loss to the organization. This kind of risk is caused mainly by the loss of training staff brought by the

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mismangement of characteristic of training stuff and the training progress, the inconspicuous effect of training and the difficulty of transformation of the training result. The company always needs to do five steps when they develop a training project. It has to investigate and analyze the training need of the staff, set up the training target, draw up the training plan, carry out the training activity and appraise the training project and feedback the result. As they are affected by lots of inconclusive factors coming from the interior and exterior of the company, the training projects will be abortive when one or several of them could not be managed well. Conclusively, we define the training risk as that the training project has the possibility of success and failure because of the inconclusive factors in the training process.

### 2.3 MEANING OF RISK MANAGEMENT

Risk management is a management work which prevents risks by risk identification, risk estimation, risk rein and risk supervise. Identifying risk is also the process of finding risk actively. Risk estimation is the analysis of the damage caused by risk, and it is the premise and basis of control and prevention. Risk rein is solving the problems finding in risk estimation so as to eliminate the provident risk. When the old risks were eliminated and the new ones might appear, so the risk identification, risk estimation, risk rein and risk supervise are to proceeding continuously and forming an effective supervision mechanism. That is risk supervise.

#### 3.0 Analyzing of the cause of staff training risk

Staff training risk is the process of negative influence to the company which caused by the change of the value of management and supervision training projects and the loss of the training staff. It contains the analysis of the value of the training projects, the analysis and supervision of the loss of the training staff, putting up developing the plan of perspective projects and the measure of postponing the devalue trend of the operative training projects as much as possible. What is more, it also contains making plans to reduce loss and competitive threat and suggesting the relevant departments of company to implement. As we take risk management of the staff training to prevent or reduce the risk, firstly, we have to analyze the reason of it. Only this way can we solve and prevent the risk fundamentally. There are several reasons which cause the training risk.

#### 3.1 WRONG TRAINING CONCEPTION

One important reason of causing training risk is that the senior level leaders or the staff do not have correct concept. At present, some senior level leaders have the incorrect cognition. For example, they think the capability of the staff would not be improved and on the contrary, it will waste a lot of work time. They also think the knowledge skill of the staff is enough for the company and the training can just improve the caliber of the staff which has few profit to the company. What's more, leaders hold that training is just train for competitors and they

also think it is better to bring in talent than training their staff. It's really disturbing the training results. And on the other side, to the staff, the cognition and attitude of them will also affect the result of training. For example, some staff take the idea of training as a form without any actual effect. They think the present working way or method or others are rather good and they have no need to join a train. What is more, they do not want to use the new knowledge and new way they learned from the train in their present work as they think they will disturb their former working mode. With all of these incorrect ideas, the training just cannot reach the target or play its role.

#### 3.2 INCOMPLETE TRAINING SYSTEM

The successful accomplishment of the training activities needs the support of a set of effective system. Human resource management risk comes from the system which lack of the guide of modern human resource management theory. Unsoundness or not being systematic of theory can also cause risk. Risk of training system does not only include improving all theories of training steps but also show in the coordination and system among all theories. Training theory without system will make train to be an unordered and blindfold attitude and it will cause the schematization and pertinence of train to be bad. Finally, it affects the result of training.

#### 3.3 UNREASONABLE TRAINING SKILL

Training risk can also come from inappropriate skill and method in practical operation. The risk is the damage to the company because we cannot exercise judgment and conclusion correctly and timeliness in analyzing need, making training, evaluating risk and actualizing. For example, some companies cannot achieve expected target because that they did not choose the right analysis technique of training need, did not combine the training plan with enterprise strategy, underestimate the risk. What is more, when the training contents, forms and the choice of trainer deviating from real need, the target cannot be achieved, too.

#### 3.4 LOSS OF TALENT

Every individual who engages in economic activities and make economic decision takes utility maximization as the target. By training, both the capability and quality of staff and the expected utility of them will be improved. Once they cannot be satisfied or the human resource cannot play its role normally or fully, maximum-selection-behaviour will appear. And the result is that the talent flow to the field and company which can provide better utility. The flowability to the space with better utility always causes the risk of talent drain.

#### 3.5 CULTIVATION OF COMPETITOR

The target of train is training talent. However, the talent you trained may be your competitor in the future. Talent is the focus of competitor of the profession, and some of them also have the capability to hold a company by their own. So, the number of competitor will be increased. Once talent drain occurred, the skills or the manage intelligence they mastered will be potential

threat to the original company.

### 3.6 INCREASING DIFFICULTY OF SECURITY OF PROFESSIONAL SKILL

Every company has its own management experience and proprietary technology which make the main component of the core competence. Only operate and manage with concrete staff can turn proprietary technology to productivity and specific products. It needs to train the relevant people to master proprietary technology and management knacks. Obviously, the security becomes more difficult as the number of people mastering the skill increase.

### 3.7 HYSTERETIC NATURE OF TRAINING INCOME

Embodiment of training income always has certain hysteretic nature. If the market is not stable, it might get no repay with strategic adjustment of the company after train. In addition, if companies do technology renovation, process adjustment or develop new products, the training or trained technology and skill become outdated and refunding term is shortened. Human resource also has time effectiveness, and the development of it is restricted by individual lifecycle. If the company cannot use it in time or use it with poor timeliness or improperly, the effect will decrease or disappeared as the physical carrier senesce and perish.

### 4.0 MANAGEMENT MEASURES OF STAFF TRAINING RISK

We cannot abandon investment as the existence of risk, that's because income always associates with risk. But we are still necessary to make risk prevention measure directing at various reasons of risk to defuse or reduce risk to minimum limit. It is also the necessary premise to ensure investment income of train.

#### 4.1 SET UP CORRECT STAFF TRAINING IDEA

Many companies think that train not only waste time but also waste human resources, material resources and financial resources. So, we should change this idea and set up another one that staff training is an investment behaviour of company with which company can receive long term comprehensive income. Staff training may not have effect right now, but it strengths the staff's identification to the company, strength the cohesion and unity spirit between staff and staff or staff and manager. Meanwhile, it strengths the staff's cognitive ability, and strength the ability of handling affairs to their own work. Therefore, staff training should be regarded as a software investment to the company and it will bring income with other investment.

#### 4.2 ESTABLISH EFFECTIVE TRAINING SYSTEM

A greater cause of the risk of staff training is that a scientifically rational training system is not established in the management of training. If we want to eliminate the risk, we should strengthen construction of training system. It mainly includes training demand analysis system, transformation mechanism, effect evaluation, feedback mechanism and training incentive system. When a set of complete training system is established, specification includes organizational set

up, fund and so on. Once the training system is established, every one involving the training including enterprise leaders, training organization members, trainees and coaches should observe strictly.

#### 4.3 ADOPT PROPER AND REASONABLE TRAINING TECHNIQUE

Adopting proper and reasonable training technique does not mean the more advanced the technique is the better the effect will be. We should select matching and workable technical method according to practical situation of the company.

Firstly, we should improve the quality of the training demand analysis. So we had better first collect the training demand information roundly and objectively which includes developing strategy of the company and private information of the staff. The way of collecting information is chosen according to the actual condition of the company.

Secondly, we should make and implement reasonable training plan. Companies should define the target according to the development strategy of themselves and the aggregate plan of human resources. Meanwhile, they should think about the training demand and possibility so as to establish the aggregate goal and decompose to several divisional targets. Then, they make feasible training plan based on the requirement of the divisional targets. After making the training plan, companies have to ensure the plans are implemented according to their importance fitting with corresponding human resources, material resources and financial resources.

Finally, we have to use appropriate training forms. Plenty of companies use the training form of prelection and tests after class. It's an important factor which makes the training to poor effect. Training methods should adapt to the training demand, training courses and the training target. During the training process, companies can choose a series of training methods or one or two as emphasis, even various methods to transfer combination so as to make the training reaching the most ideal state. At the same time, the design of training methods should pay attention to knowledge hierarchy and typical positions of the trainees. For example, managers may fit to case teaching while site training may be suitable to operators. As paying attention to improving by innovation of training methods of enterprise internal, companies should engage external experts fitly and dispatch staff joining in the training organized by professional training organization. It will expand the vision of the staff while improving the quality and level of the training.

#### 4.4 PREVENT THE LOSS OF TRAINED STAFF

Firstly, clear training contents. The main cause of the loss of trained staff is that employees think their skills had been improved and they become more competitive in talent market while the improvement of competitiveness may be have not reflected correspondingly in the organization. Every post of company has definite requirements on knowledge, skill and ability. We should clear the training needed by companies according to the demand of posts. Only staffs taking the

required training, their competitiveness comes from the improvement of skills will reflect in the enterprise.

Secondly, determine the selection standard of training project. Training projects of companies mainly include new employee, employee converting to working, employee who did not meet the work requirement and employee who have potential essence. The lost risk to companies brought by investing in every type of employee is different. We should determine the selection standard in companies according to different types of employee to avoid the casualness of selection of training project.

Thirdly, use reasonable training funds system. Companies could take different mode of payment of training cost according to income of company and staff brought by training and company's demand degree of training. For instance, the company undertake the cost of urgent need of training, the company and staff must undertake the cost of training abroad, long-term training or the project asked by the employee themselves or the employee take the cost and receive return of salary increase or promotion after training.

What's more, establishment of effective incentive mechanism is needed. Trained employees always expect to get return in some way. Once there was no return or the return comes late, employees will have an idea that they have changed little in the company so they may choose better working environment through job hopping. So companies ought to play roles and complementary functions of inspire system on all levels and aspects, create good environment which makes employees using what they have learned, provide jobs with more challenge and improve payment of trained employees to admit employees' results of training. And it is important for companies to retain the trained employees.

Meanwhile, companies should cultivate excellent enterprise culture. As the guide of it, employees not only enrich knowledge and improve skills but also realize the value of life by training which could inspire the working enthusiasm greatly and increase cohesion, sense of fidelity and belonging.

Finally, companies should implement systematization management. Based on the relatively stable relationship between employer and employee, companies can sign relevant contract, implement contract management, define responsibility, duty and liability for breach of contract. Once the dispute occurred, companies and employees all can reduce the loss to minimum by law.

#### 4.5 ENHANCE THE PROTECTION OF ENTERPRISE TECHNOLOGY AND COMMERCIAL SECRET

In market economy system, the idea of making intellectual investment, improving quality, realizing value and improving competitiveness is accepted by people generally. The management department of workers training of company should try to strengthen the investment concept on personal quality to decrease the loss-rate of development achievement of training projects and the threat of enterprise technology and

commercial secret based on talent drain. What is more, companies should take legal measures to protect the patent technology. The training process should be the process of enhancing patent consciousness of development object which make it to protect the companies' patent right by law.

#### 4.6 ELIMINATE OR DECREASE THE LOSS OF DEPRECIATION OF TRAINING OBJECT

Firstly, combine the training and company management strategy. Management strategy effect training types, quantity and the resources needed in the training to a great extent. It is also effect types and levels of various techniques needed by companies and the decision-making of company training. In order to gain development, training activities should assist companies to implement management strategy. Companies should make training activities focus on not only impartment of knowledge and technique but also the future development of companies. When the training way has strategic, it may combine the training activities and company development better which makes the training really meeting the companies' requirement.

### 5.0 Conclusions

The, companies should create good environment of training achievement transformation. Good environment of training achievement transformation includes the support of bosses, mates, chance of using the knowledge and so on. Bosses of trainees should support the trainees to use the learned skills in work, when the support of mate is the mode that the trainees compose some small group with them voluntarily and discuss regularly to enhance the training achievement transformation. The possibility of using what they learned is that trainees was provided or search for chances to use the knowledge, skills and behaviour style they learned in the training.

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### 7.0 Conflict of interest

This article content has no conflict of interest

### 8.0 References

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