

Investing in Employees

“A company's employees are its greatest asset and your people are your product,” is a comment attributed to Sir Richard Branson. Sir Richard, a British business magnate and commercial astronaut, is the founder of the Virgin Group, which currently has controlling interest in many companies around the world. His comment should help employers to understand the importance and value which is attached to the recruitment of employees. When it comes to investing in employees, consideration ought to be given to addressing the professional and personal development of the individual. On the surface, it would appear that employers more concerned with the productivity of their employees. It is understandable that employers may be inclined to pay more attention to improving productivity and efficiency as for them it is the bottom-line of the enterprise which matters most.

Sir Richard comment should have conveyed the message that people are the most valuable asset of the employer and by extension, the nation. It is for this reason that the national development strategy of a country should have as a priority the education and development of the people. The empowerment of the people is therefore of great importance when it comes to addressing the issues of economic and social development.

Employers should be minded of their responsibility in helping to shape the character of their employees, building their knowledge capacity, and contributing to the building of their skills and competencies. The best way that this ought to be done is by employers undertaking to invest in their employees. Companies and organizations need to demonstrate that they are interested in and committed to the growth and professional development of their employees. Employers should understand and appreciate, that by providing training, this positions the enterprise or organization to maintain a cadre of quality staff members. The added value of investing in the members of staff is that of the high possibility of retaining a talent staff. Moreover, it serves to drive the recruitment of high quality and talented persons. It ought not to be missed that workers feel a sense of worth, knowing that they stand to benefit from training opportunities. With such exposure, employees tend to have access to information and opportunities to enhance their skills, which would assist them to grow and excel in their respective jobs. Moreover, this prepares them for possible promotional opportunities.

Where employers are not inclined to invest in their members of staff, it is more than likely that this group of individuals would become demotivated. As a consequence, there is also the likelihood of a decline in productivity being experienced. It is in the best interest of employers to invest in their employees for the reasons that it will bring about job satisfaction, job retention as opposed to a high turnover of staff, build skills sets, build employee loyalty, improved staff morale and bring about an uptake in the bottom-line of the enterprise or organization. Right thinking employers should see the wisdom of investing in their members of staff, from the point of view that where they do not, the price to be paid to be paid, maybe is in the exodus of employees. Where this occurs, there is the constant expenditure to be incurred in the training of new members of staff.

Investing in Employees: October 20, 2023, Dennis dePeiza, Labour & Employee Relations Consultant, Regional Management Services Inc.

The value of investing in employees is supported by the research findings from the Employee Training and Development (Talent Magnet Institute: 27 June 2023). “According to a survey by LinkedIn, 94% of employees would stay at a company longer if it invested in their career development. The Association for Talent Development (ATD) found that companies that offer comprehensive training programs have a 218% higher income per employee than those with less comprehensive training. The same ATD study revealed that companies that invest in employee training and development have a 24% higher profit margin compared to those that don't.”

Research shows that when it comes to employee engagement, that this too can make a fundamental difference. Gallup's State of the Global Workplace report found that companies with engaged employees outperform those without by 202% in terms of profitability. According to a study by the Harvard Business Review, organizations with highly engaged employees have a 21% higher productivity rate.

Where there is the incidence of high turnover of staff, it should be of concern to most employers, as to how they are to attract and retain talent. A perspective on this is shared by Johnny C. Taylor, the Chief Executive Officer of the Society for Human Resource Management (SHRM). In addressing the annual conference of the SHRM Las Vegas. June 21, 2023, he commented that:

“One of the issues that’s top of mind right now is training and development. Given that 50%, even as much as 70%, of the jobs that exist today won’t exist five years from now – or will be so meaningfully reconstituted that they won’t exist – if we are not investing in our employees’ professional development...then employees will leave because they’re going to go where they can get the talent to remain competitive for decades,”