



## ROLE OF TRAINING IN HUMAN CAPITAL DEVELOPMENT

Human Capital is the collective skills and knowledge of an organization's workforce. Organizations like any other organism must have its own identity which is represented in business terms as the "Corporate Vision, Mission, Strategy & Culture."

Training therefore becomes the most critical activity an organization must engage in to align its human capital with its corporate strategy. Since no two organisms are alike, so also no two companies are alike, the very reason therefore why no company should train for training sake.

From my global work experience, three kinds of organizations exist:

**Category "A":** such companies take pride in developing the knowledge of their human capital. They know why they train, they know what to train (often as a result of a properly conducted training needs analysis of their staff) and they know how to train. Moreover, they can measure their Return on Training Investment (ROTI) because they see training expenditure as a "capital investment" which they are proud to make public. According to the MCS Knowledge Company Report, these are the "**A**" rated companies.

**Category "B":** more companies fall under this category. They train their workforce because they see an "A" company (as discussed above) train and perform well in the market, so they train. Most times, they do not know why they train, and if they happen to know the why, they sure do not know what to train and how to train. They have never sat back to measure their ROTI as such they see their training expenditure as huge costs rather than investment. This why the training budget is always the first to be freezed once there is any slight indication of a fall in analysts' expectations. These are the companies Michel Roberts refers to as "**me-too**" strategy companies.

**Category "C":** companies under this category do not believe in training at all yet they value well-trained professionals, what a paradox! So they are always in the market seeking to poach from the knowledge companies. Unfortunately, most companies in Nigeria fall under this category. They are the ones who always say to me; "**What if I train my staff, and they move on?**" A question that I answer with a better question: "**What if I don't train my staff, and they stay on?**" Little wonder therefore why such companies are always at the drawing board every month better still every week changing their company strategy.



We at MCS believe in four tenets of training ...:

- ✦ Is an integral part of a successful business
- ✦ Can increase staff retention and performance
- ✦ Is often overlooked as a vital key to a profitable enterprise
- ✦ Is something MCS takes pride and pleasure in delivering to each and everyone of our client.

**Written by Afolabi Imoukhuede, Managing Consultant, MCS Consulting Limited Ikoyi, Lagos**  
**[aimoukhuede@mcsworldgrp.com](mailto:aimoukhuede@mcsworldgrp.com)**

This article is solely for the use of MCS Consulting Limited. No part of it may be circulated, quoted or reproduced for distribution without prior written approval from MCS Consulting Limited.