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Planned Training Yields Best Results **Training Needs Analysis in Supply Chain Management**

Edward Sweeney, NITL

Training Needs Analysis (TNA) is concerned with designing training and education programmes, and scheduling staff attendance at such programmes, to ensure that the investment in training achieves both individual and business objectives. It should also be concerned with defining objective measures on which the success of the education and training can be assessed.

Investments in process changes and in capital and operating expenditures are usually carefully (and often cautiously) planned. A similar process needs to be undertaken in relation to human resource development (HRD). Research has shown that the largest expense for HRD programmes, by far, is attributable to the time spent by participants in training programmes, career development and/or organisation development activities. In training, costs due to lost production and travel time can be as much as 90-95% of the total programme costs. Direct and indirect costs for the delivery of training are about 6% of the total cost, and design and development count for only about 1-2% of the total. Realistically, it makes sense to invest in an assessment of needs to make sure wise investments are being made in training and other possible HRD interventions.

Some form of TNA is inherent in the training process. For example, if a line manager elects to send a member of his/her staff on a training course then the needs of the department and the individual will most probably have been weighed up, at least informally, and the decision taken that the training will provide some level of business benefit. This form of TNA, whilst very common, is unstructured and provides little scope for post-course assessment of training effectiveness. Many organisations use staff appraisal systems to identify individual training needs and to set quantifiable objectives for their staff over a set period. This is moving towards a structured TNA process. However, there needs to be a level of consolidation, even with the appraisal system, to

ensure that an holistic approach to training delivery is developed taking the organisational needs (and not just the individual's needs) into account.

In essence, a TNA is a systematic exploration of the current and the desired state of organisational affairs, with specific reference to human resources. The benefit of any HRD intervention needs to be considered before investment is committed. Key questions include:

- What learning will be accomplished?
- What changes in behaviour and performance are expected?
- Will we get them?
- What are the expected economic costs and benefits of any projected solutions?

Working with any relevant in-house analysis which may have already been generated, a TNA programme can be developed that will enable the design of education and training programmes which will:

- Ensure the needs of the business are addressed;
- Match individuals to the right training programmes;
- Develop course modules tailored to specific business needs;
- Allocate individuals to appropriate course groups; and
- Provide objective measures for post-training assessment of effectiveness.

The NITL TNA Process

The National Institute for Transport and Logistics (NITL) works in close collaboration with companies in designing and delivering education and training programmes. The NITL TNA process involves four key steps as follows:

Step 1. PERFORM A “GAP” ANALYSIS.

There are two parts to this.

Current situation: The current state of skills, knowledge and abilities of our current and/or future employees must be determined. This analysis should also examine our organisational goals and strategy as well as any internal and external constraints.

Desired or necessary situation: The desired or necessary conditions for organisational and personal success must be identified. This analysis focuses on the necessary job tasks/standards, as well as the skills, knowledge and abilities needed to accomplish these successfully. It is important that we identify the critical tasks necessary, and not just observe current practices. The difference (the “gap”) between the current and the necessary will identify our needs, purposes and objectives.

Step 2. IDENTIFY PRIORITIES.

The first step should have produced a large list of needs for training and education, career development, organisational development, and/or other interventions. At this stage these needs must be examined in view of their importance to organisational goals, realities and constraints. In identifying priorities the factors that need to be considered include:

- Cost-effectiveness
- Legal mandates
- Senior management priorities
- Number and level of staff involved
- Customer requirements

The key is to identify and to devote resources to addressing human performance problems with the greatest impact on the business in as cost effective a manner as possible.

Step 3. IDENTIFY CAUSES OF PERFORMANCE PROBLEMS AND/OR OPPORTUNITIES.

Once critical organisational and personal needs have been prioritised and focused on, specific problem areas and opportunities can then be identified. If appropriate solutions are to be applied performance requirements must be known and understood. There are two main questions:

- *Are our people doing their jobs effectively?*
- *Do they know how to do their jobs?*

This will require detailed investigation and analysis of our people and their performance - both for the current situation and in preparation for the future.

Step 4. IDENTIFY POSSIBLE SOLUTIONS AND GROWTH OPPORTUNITIES.

In situations where people are considered to be doing their current jobs effectively, some education and training and/or other HRD interventions might be called for if sufficient importance is attached to moving our people and their performance in new directions. But if people are not doing their jobs effectively then education and training may be the solution. The systematic TNA process should ensure that any education and/or training programmes are relevant to an organisation's real (rather than perceived) requirements.

In essence, TNA is a process which aims to learn as much as possible about the organisation and its people. It usually involves the use of one or more techniques, including the following.

(i) Management Interviews

These are "semi-structured" and designed to develop an understanding of the nature of the business and the organisational culture. This requires the commitment of a number of key managers who are able to provide this level of organisational overview.

(ii) Questionnaires

These may be paper-based or on-line. Their aim is to gain a broad picture of an individual's current competencies and the skills they believe they need to carry out their work. Often much of this information is already available in-house.

(iii) Follow-up Interviews

These are also "semi-structured" in nature and designed to test and validate the analysis of the questionnaires.

Education and training should not be viewed as a panacea (or 'magic solution') for all organisational problems. But the experience of world class companies is that continuous education and training plays a vital role in sustaining and enhancing competitive advantage. The key issue is designing HRD programmes which genuinely enhance an organisation's ability to compete in the market place both now and into the future.