The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

# Firms Try For Effective, Not Expensive, Training

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May 10, 2011



Giving staffers and managers more skills is one way to keep them from leaving the company, personnel analysts said. **Andrei Makhonin**

Companies in Russia are thawing their budgets for employee development and education, and this year they could end up spending more than two times what they did last year, research from a personnel firm is suggesting.

Figures from the firm Amplua, or "Employ," indicate that spending on education and training for employees could increase 58 percent in 2011. There was a similar trend in 2010, when that same spending shot up 73 percent from the previous year.

Meanwhile, a more considered approach is cropping up in corporate offices. Companies are laying out money for training, but they want more results for their rubles.

Even Amplua is jumping on that trend, re-examining its line on corporate training. Now its

fundamental principles are "don't waste" and "don't spend a lot."

The "corporate university" for telecom Mobile TeleSystems is a case in point. MTS opened the university in 2005, but at first it was conducting just three types of internal training. Outside trainers who were invited for the job taught the bulk of the courses, said Marina Derevleva, director of the telecom's corporate university.

Before 2008, staff trainers existed only in Moscow, while in the regions they appeared at the height of the global financial crisis, in 2008. Today the corporate university is conducting 40 training courses using internal resources and is ordering another 50 courses from outside providers.

Planning is a major factor in saving money while improving training. Corporations that approached employee training in a systematic way during the financial crisis now can save up to 30 percent on personnel education, estimated Yekaterina Klestova-Nadeyeva, director of the Training INDEX unit at Amplua.

Nearly half of companies in Russia are planning to increase the permanent staff for their corporate training centers by a third in 2011, according to the Training INDEX, which is released annually. The companies probably will attract more trainers, however, from outside. The volume of outsourced training bought by Russia's companies will grow, Klestova-Nadeyeva said.

### Jumping Through Hoops

Providers of this training will be selected extremely competitively, and their contracts with the companies will spell out all of the details of their work, including the specific courses that the company is prepared to give, said Derevleva of MTS.

In addition, to seal the contract, the trainer is required to conduct "demo training," typically with an audience of five people. The trainer has to demonstrate teaching skills, knowledge of the necessary topics and the ability to keep his students' attention.

"We have gone without this preliminary review, thinking that we are dealing with a professional of high caliber, and ... we were mistaken," Derevleva recounted. "Since that time the demonstration training is a firm requirement for specialists at any level," the telecom manager said.

"We are really selective about our choice of training programs," said Natalya Annenskaya, deputy chief executive for investment firm Metropol. She said the major Russian firm "adapts" all of the training requested from training providers according to its own needs.

The training companies offer the same training from year to year, she complained, and there isn't anything new appearing on the market.

Roman Ivanov, senior partner at consulting firm Formatta, said most training isn't meeting companies' post-crisis requirements.

## Training Games

"It takes at least six months to develop a new product," Ivanov said. "Along with the time requirements, there is also the required spending. Provider companies can't afford to undertake those things, since these same companies have been hit hard by the recent [financial] crisis," he explained.

Yet, Ivanov was able to single out training courses popular with client companies. Those include courses on managing effectiveness, adopting post-crisis policies and orienting the company around clients. Another popular course is psychological training, conducted in a game format, on "recharging" workers following the financial distress that Russia experienced three years ago.

"We are putting additional emphasis on courses that develop the skills of managers," said Tatyana Kostyuk, technical education manager at Microsoft. The dynamism of the IT market is enlarging the role of managers, she said.

The director of the corporate university at United Aircraft Corporation also pointed to that trend. "The important task for many manufacturers is ... preparing supervisors on various levels," Yulia Sadykova said.

On average, about 40 percent of courses that companies offer their employees are mandatory, while the remaining ones aren't compulsory, said Amplua's Klestova-Nadeyeva.

## Remotely Educated

Many Russian companies introduced distance learning systems — also known as remote learning — several years ago. But the systems began to be used especially widely during the financial crisis, when companies needed to reduce their employee-education costs, Klestova-Nadeyeva said.

"During the crisis we shifted part of the classroom courses to a virtual format," in which the trainer and group interact over a distance, Microsoft's Kostyuk said. "We are using that format in a limited way, however, since it isn't a substitute for training in the classroom," she added.

She said the online format is also used for familiarizing employees with new products and for conducting general courses such as business relations.

"I don't believe in teaching on the Internet only," Annenskaya of Metropol commented. Material can be truly mastered only in a live setting — where there are case studies, model situations and discussions of various ways of solving the problems presented, she said.

## Changes in Thinking

According to the figures in the Training INDEX, the amount allocated for distance learning at Russian businesses is merely 5.4 percent of the companies' total budgets for worker development and training.

"Clients have a preference for the classroom format because the distance programs don't

offer them diverse content," Ivanov said.

Yet, an online training system is far more flexible and far cheaper than the classroom version, he said.

Overall, companies are prepared to invest in training for their workers, as they think that it's an important part of retaining those workers and developing personnel, analysts said.

Annenskaya said that in the investment sector, a company's capitalization depends directly upon the overall qualifications of employees. That makes spending money on their training essential.

"We're aiming to introduce a coaching style for managing people, and we think that managing people needs to happen through development," Derevleva explained.

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