

LEADERSHIP TRAINING

# Want better-trained employees? Try this

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Photograph by Getty Images

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## A small budget can go a long way.

We are all well aware by now that an increasingly global, and thus more competitive, economy demands a highly skilled workforce. But, especially for small and medium-sized companies with modest training budgets, keeping up can be tough or impossible.

The encouraging news is that motivating workers to stay current might be easier, and less costly, than you think. A new [study](#) found that employees who were paid a small stipend up

front, and asked to commit to just two classes, ended up taking six times more courses than their peers who received no such incentives.

The key is not in the dollar amount workers are offered, but in how it's explained to them. Teck-Hua Ho, a professor at the Haas B-school at Berkeley, and Catherine Yeung of the National University of Singapore, studied 4,000 people whose employers wanted them to take a series of training courses.

One group was offered a one-time cash incentive of \$60 as reimbursement for attending two classes, each of which cost \$30, within four months. Then, researchers asked each employee to sign a non-binding agreement that he or she would show up for specific training sessions. The second group was told that the \$60 payment was a reward, not a reimbursement, for signing up for two courses within four months. Workers in this group were not required to commit to anything in writing.

The results were, the study notes, "remarkable." Over nine-and-a-half months, during which no further payments were offered, the employees who were told the \$60 was a reimbursement for out-of-pocket expenses, and who committed to two specific courses up front, finished six times more training courses than the group who thought the initial \$60 was a reward and who committed to nothing.

Why did the first group pursue so much more training, even though they had to pay for most of the classes out of their own pockets? "We believe subjects who had two 'free' courses at the beginning, and who were asked to indicate their future plans, were prompted to adopt a more long-term mindset toward their careers," says Ho. "So they were more likely to invest in training," long after any more reimbursements were offered.

The study notes that the research was based in part on the upfront incentives some corporate wellness programs use to encourage people to lose weight or exercise more. Once employees start those efforts, and experience some success, they often get motivated from within and just want to keep going. The study suggests that — once people realize that it can make them more promotable, and more marketable — learning new skills is likely to have the same effect.

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