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Research demonstrates that a company's market value is increasingly driven by intangible assets, particularly human capital. Training is one of the best tools available for companies to grow human capital, and in turn shareholder value, but it needs to be done correctly. The following release makes the case for investing in training, and how executives can determine if training is doing its job to increase the value of human capital. Interviews with our CEO, Dr. Seth Leibler, are available via the contact information below.

FOR IMMEDIATE RELEASE

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Quality Training Plays Significant Role in Business Growth

CEP Urges Employers to Invest in Training as "Strategic Weapon"

Atlanta, Georgia--- July 27, 2004. A recent study from the Society of Human Resource Management has revealed a significant shift in the source of company market value: today, intangible assets represent up to 85 percent of a company's value, compared to 38 percent just 20 years ago. This means that intangibles, particularly human capital, represent a major potential value driver for business. Yet many companies today fail to grow that value by making the necessary investment in training the workforce.

The situation is particularly troubling given the impending talent drain as the baby boomer generation reaches retirement age. "Companies should be preparing for the predictable talent loss that will inevitably come in the next five to 10 years by having programs to skill the workforce for both now and for the future," says Dr. Seth Leibler, CEO of The Center for Effective Performance (CEP).

The lack of financial commitment is partly due to many executives' skepticism that training will truly make a difference at the bottom line. In a vicious circle, their perceptions may have been shaped by the formal training they experienced in their own careers, which fell short of the promise of delivering job-relevant skills.

When done correctly, training is a strategic weapon that companies can harness to increase competitive advantage and shareholder value. Yet even among today's most technologically sophisticated companies, training is still mostly academic and content-based, instead of focused on skills and job performance.

Too often, employees learn the things they really need to know to do their jobs after training ends.

Dr. Leibler recommends that executives who want to grow their human capital should look at these six critical components to determine the quality of training in their organization:

1. Training is viewed as the right solution only if the cause of a problem is a lack of skill or knowledge.
2. All training requests are analyzed to ensure the right solution is developed and implemented. Training is not automatically developed as the solution for every performance problem.
3. Practice situations in training match the actual on-the-job conditions as closely as possible (It's why off-the-shelf training generally is ineffective.)
4. Learners receive immediate feedback after each practice to reinforce what is done correctly and coaching on what to do differently.
5. Skill checks ensure that learners master essential skills needed to perform to job expectations before leaving training.
6. On-the-job reference tools (job aids) are developed to provide essential information to performers who only need a reminder of how to do a task.

By applying training only when it is really needed, and developing training that is based on analysis of true job performance requirements, organizations can boost the value of their human capital.

About CEP

The Center for Effective Performance (CEP) is the industry leader in helping organizations turn their workforce into a competitive advantage, especially in high risk situations such as outsourcing, mergers, acquisitions, restructurings, downsizing and large scale system implementations. For nearly two decades, CEP has helped companies solve performance problems, develop training guaranteed to work, implement best practices, and create performance improvement strategies that translate into improved financial results. As the world's leading practitioners of Dr. Robert Mager's research-based methodology, CEP delivers world-class, proven solutions that increase profitability and shareholder value.

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