

Cultivating our Greatest Asset: People

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In any organisation, large or small, public or private, it is obvious that there is a pervading culture. Whether it be laissez faire or a high standard of employee satisfaction and productivity, ultimately this culture is the sum total of the individuals' workplace attitude. While individuals will differ it is reasonable to say that management plays a large part in determining organisational culture and thus positive image of the organisation. And of course, for the organisation to be productive and deliver its services, management requires a frontline to work with. In this time of skills shortage and the reputation of Generation Y to be transient, retention of the frontline through to senior management needs to be considered.

So how does an organisation cultivate a positive image, attracting and retaining quality staff? By investing in its people by way of training, incentives and positive performance feedback.

TRAINING FOR GAIN

Any organisation will benefit from having staff with well developed life skills such as communication, time management, conflict resolution and stress management, and it has long been recognised that these are basic requirements for the workplace. Now it is supported that managing one's money effectively is also a contributing factor to workplace productivity. Thus financial literacy as a new concept in workplace training is gaining momentum and the Federal Government's 'Understanding Money' website (www.understandingmoney.gov.au) touts some of the benefits of this training. The establishment of the Financial Literacy Foundation in 2005 and their launch of the Understanding Money campaign in 2006 confirmed that financial literacy is a national concern for all ages.

Supporting this recognised necessity for training in what essentially is a basic life skill, are the Financial Literacy competencies. These nationally endorsed industry standards, originally part of the Financial Services Training Package, were published separately as a guide to financial literacy education and training in May 2006 by Innovation and Business Skills Australia (IBSA). IBSA is the national Industry Skills Council with coverage of financial services training and is primarily funded by the Commonwealth Department of Education, Science and Training. The Chief Executive Officer of IBSA, Ms Sharon Coates, says that 'Financial literacy is for everyone, not just people working in the financial services industry'.¹

BENEFITS TO THE ORGANISATION

By providing financial literacy training for staff, they will be able to manage both their and your money, now and in the future. This means less likelihood of fraud, absence and compensation payouts due to staff now being happy, healthy and financially savvy. By providing training for staff an organisation is

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effectively acknowledging that it values the individual within the workplace. This recognition is an important step in a person's self actualisation and can foster a strong sense of loyalty towards the organisation. Coupled with listening to the individual and regular, structured performance feedback an organisation will earn the reputation as an employer of choice, with desirable recruitment and retention levels.

If an organisation is facing both recruitment and retention issues then a new approach is required. Most organisations, at some time, experience skill loss through individuals leaving for higher paying positions. Which brings us back to the transferable skill of financial literacy. One of the benefits to an organisation providing such training is to show individuals that more money will not fix the problem. Just as one learns different strategies for dealing with conflict using their current resources, one can learn strategies for managing their money. This of course leads to less stress, more energy, a more positive attitude and a much healthier lifestyle balance, which ultimately benefits the organisation.

CASH REWARDS VIA A NON-CASH INCENTIVE

So do staff prefer cash or non-cash incentives and how far does an organisation go to provide what is beneficial for their staff? If the benefits are obvious to both parties this will be an easy decision; the laptop, the conflict resolution training and the salary increase all fall here.

However what if the benefits are not as immediate and obvious? Let's use an analogy. We know that going to the dentist is beneficial. We have felt the pain associated with not taking care of our teeth and we know that dental health is an ongoing process. It's the same with learning how to manage our money. We know it's something we must do and we know the benefits, as well as the problems that will arise if we don't learn. But is that enough impetus to 'make the appointment'?

This is where an organisation can show foresight, innovation and genuine concern for the wellbeing of its staff. While financial literacy is an emerging area of training it is also an obvious choice by which to provide staff with a non-cash incentive which ultimately produces a cash reward. Both the individual and the organisation reap the benefits.

As one report says, 'Customer loyalty is bought with frequent buyer programs, points, or discounts. And so is employee loyalty. By understanding and meeting their needs, and motivating through relevant reward and recognition strategies, retention can be heightened. [...] When managers step from behind the corporate image and build staff rapport and relate to individuals then loyalty and commitment [...] can indeed be garnered. 89.6 per cent of Generation Y agreed that if they

received regular training from their employer it would motivate them to stay longer with the employer'.²

HOW EXPENSIVE IS PROCRASTINATION?

In line with money management, if staff stay with an organisation for the money only, both parties will suffer a cost. It is thus the responsibility of both the individual and the organisation to avoid this situation so the health of both can flourish. Imagine if all staff were able to retire by age fifty and become full-time consumers and part-time mentors.

Unfortunately though when it comes to saving many people don't realise just how hard it is to make up for lost time. As an example, if you wanted to save \$780,000 for retirement at age sixty five, with all other factors constant*, you would need to save:

\$221 per month from age twenty five

\$519 per month from age thirty five

\$1,313 per month from age forty five

\$4,229 per month from age fifty five.

* based on eight per cent return and three per cent inflation.

The individual can thus be proactive in asking for such training early in their career and the organisation proactive in offering to all levels of staff. This applies to performance feedback and encourages a sense of pride and loyalty within the organisation.

THE SOLUTION IS TO WORK THAT MONEY MUSCLE

By providing financial literacy training an organisation is 'teaching individuals to fish so that they may feed themselves for life'. By attending training participants are able to gain nationally endorsed competencies and lifelong transferable skills while the organisation gains maximum return on its training dollar. A healthier, happier workplace with an employer of choice results when an organisation cultivates its greatest asset. In fact society as a whole will benefit if we invest in educating our people.

ENDNOTES

- 1 <http://assistant.treasurer.gov.au/pcd/content/pressreleases/2006/035.asp>.
- 2 The New Generations at Work Report, McCrindle Research 2006.