

Training for Retention

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Why Is Training and Development So Important for Employee Retention?

What do employees want? Why is there such a high turnover rate among skilled workers? In today's labor market, these are questions every business—yours included—must ask itself. Workers are the most important element of any business; they must be retained, and happily so, in order for the business to remain competitive. For your company to compete and to retain its workers, you must first understand what today's worker needs from his or her job.

Good Workers Want and Expect Career Growth

In reviewing many of the research studies to determine how to retain good workers, one consistent theme emerges:

employees want the opportunity for growth in their jobs. In surveys, employees articulate this desire in a variety of ways, but the desire is still the same. Some terms workers consistently use to describe their desires are

- Career promotion and growth opportunities
- Growth potential
- Training in the workplace
- Promotion and growth opportunities
- Coaching and feedback from the boss
- Opportunity to learn new skills
- Advancement opportunities

In fact, a 1999 Interim Consulting Study conducted by the Saratoga Institute found that “no perceived career growth opportunity” was the second most common reason for turnover. This study collected additional data from new college graduates to help clarify what attracts new workers to employers and found that “new graduates don’t come to a company because it has career development—but they do not come if there is not career development.” Put simply, employees want the opportunity for job and career growth in any employment situation. If this crucial desire is not fulfilled, they will leave.

The Emerging “I, Inc.” Workforce

Economic Situation

The economy is good and there are many jobs available for good workers. As a consequence, good workers who don’t feel valued by their current employers for anything more than “today’s work output” pursue other job options. These workers possess knowledge, skills, and abilities that other employers are seeking. In fact, other employers will likely value them more by increasing their pay and providing them with new experiences—the opportunity to learn and grow.

By moving to a new employer, the worker becomes worth more in his or her own eyes and in the eyes of other employers. This rise in stature is, of course, quite appealing.

Allegiance

The employer/employee contract is weakening and good workers no longer feel an allegiance to an employer who is not investing in their personal growth. The well-worn axiom of "What have you done for me lately?" is being asked in reverse. Now, the good worker is asking this question of the employer. Good workers expect a challenging, safe job, with reasonable working conditions. They want input about how the job should be performed, and require the independence to perform the job in a professional yet individual manner. They also want comparable pay to others who hold similar positions, special recognition for excellent performance, continuous growth of skills and abilities, and some fun on the side. In the new workplace environment, the employer/employee relationship is certainly a two-way street.

On and Off the Job

Quality of work life is a higher priority to top performers than it has been in the recent past. Good workers expect to balance their work and personal life to meet their needs and the needs of the business. High performance expectations are challenging for good workers, but undue pressure to work long hours, to miss lunch, to travel endlessly, and to manage constantly changing priorities is no longer regarded as a "red badge of courage" that must be endured to be successful. It's too easy to locate another position where the work/life balance is more reasonable.

In fact, the option of becoming self-employed and contracting services back to the employer is becoming a popular alternative. This alternative is being facilitated by ever easier access to technology. Not all employees are looking to jump ship; this quest for independence is just an indication of how

the new workforce is thinking. Helping employees balance the work/life mix is a developmental challenge that few organizations are confronting at present.

Need for Growth Opportunities

Good workers expect to grow to remain personally competitive in the job market. Employees' personal growth expectation impacts employers. Since the guarantee of job security has been eroded in the minds of employees, the concept of "lifetime employment" has changed to a concept of "lifetime employability." To support this new concept, good workers expect and seek out learning and improvement opportunities. However, these opportunities may not necessarily be formal training; they may also mean special assignments that stretch and improve skills, mentoring relationships, community assignments, college courses, certifications, professional memberships, and more.

How Can You Provide Career Growth and Training?

Strategic Choices

Match your training and development efforts to the strategic objectives of the company. Determine what goals your organization has, and what it will take to achieve them. You then have the alternative of (a) hiring the skills you need to accomplish these goals; or (b) developing the skills from within your current workforce. Link the strategic objectives for any training/development you create directly to the goals of the company, so that good workers understand how what they learn impacts the business. Clarifying the links between the desired outcomes and the developmental effort to be undertaken also will help the designer of the training/development effort to focus on the specific business outcomes to be achieved.

Being Goal-Oriented

Focus your training efforts on specific performance outcomes rather than on theory or “learning for the future.” There are appropriate times and places for these other forms of development, but they are not appropriate when you’re attempting to help a good worker improve performance or learn new performance behaviors.

Responsibility and Accountability

Assign the accountability for endorsing and supporting training/development to the participant’s immediate supervisor. Often, much of the new knowledge and skills learned during training/development efforts is not applied on the job. The main reason for this failure is the result of adherence to and comfort with the “old routine.” It’s difficult to break old habits and apply the new knowledge and skills on the job.

The first opportunity to break this cycle is for the supervisor to meet with the participant prior to the development effort and jointly set expectations/goals for what will be learned, as well as for anticipated changes that will occur after the event. The second opportunity is for the supervisor to meet with the participant when the individual returns from the event, and jointly agree to specific application plans. Finally, the supervisor may monitor, follow, and coach the participant to bring the new applications to life.

Another option is for the participant to share his or her learning with others in the workgroup, so that they understand the changes being implemented, support the changes, and maybe even apply the changes themselves. Teaching what one has learned can often be very beneficial and helpful in the learning and training process.

Prepare for Success

Create a talent profiling process that supports succession planning and/or key talent bench strength processes within

the organization. The talent profile provides assurances for good workers that their knowledge, skills, and experiences are documented and available for promotional decision making, special project assignments, and other tasks. The profile is also an indication that the organization values the employee's knowledge and skills for more than just the immediate job. Included on the talent profile can be the future aspirations of the employee, his or her education, previous work experiences, training/development, and performance appraisal ratings.

Continual Learning

Implement a company university program consisting of a series of core courses focused on the critical success factors for your organization. These courses may represent technical skills, relationship skills, basic supervision/management, leadership, team skills, basic business finance, continuous improvement skills, communication, conflict management, college courses, certifications, and associate degrees. Courses can be offered by both internal and external providers. They don't even have to be on-site. Just the fact that the company has defined, supports, and promotes a specified list of courses that align with the knowledge and skills required to be successful on the job, will assure employees that the organization wants them to learn, improve, and grow. Reimburse education and/or degrees that align with organizational needs.

In-house Mentors

Encourage mentoring relationships to help aspiring employees better understand what is required to advance and succeed within the company. Teach your supervisors/managers how to coach and support employees so they can achieve high performance standards and feel good about themselves, as well as the work they perform.

An Environment for Growth

Create a library of videotapes, audiotapes, books, CD-ROMs, workbooks, technical guides, and other materials that employees can use for their personal improvement. Don't be concerned with the loss of these materials when they are being used for performance improvement. They're an inexpensive education and learning alternative. If you have the capability for implementing on-line personal computer or satellite delivery systems within your company, take advantage of the many alternative forms of training that these media make available. Library materials may also be made available through an in-house computer network.

Integrate Employee Growth and Productivity

In some cases, you can integrate your development efforts by having internal experts host technical discussions on the job, during pizza lunches (that the company pays for) or on an "as needed" basis when employees request assistance. You might even establish a rotating coaching role, a person who would be available throughout the day for questions and demonstrations. He or she might "visit" workstations to review and support application of new knowledge or skills on the job, when applicable.

Going Outside the Company

In many areas of the country, there are consortiums of companies that contract for training at reduced rates. Most of the knowledge and skills provided through a consortium are generic, so company specific application issues will need to be supported by the participant's supervisor. Machinery and software suppliers frequently offer training for purchasers of their products. Outsourced providers of training/development will often reduce their rates for long-term contracts and/or partnering arrangements that ensure longevity of the relationship.

Direct Lines of Responsibility

One way to reduce costs and improve the return on your training/development efforts is to have each supervisor/manager work with his or her direct reportees to determine what each individual needs to perform well on the job. The supervisor can then work with each employee to plan for and manage his or her personal development process. Individual development plans that identify the improvement outcome desired and a plan of action specifying what will be done provide support for this process. The use of these plans should be informal rather than formal as in review program atmospheres, or it will appear to be a mandated development program and have difficulty surviving on its own.

Recognition

As you provide for and encourage employee improvement and learning by participating in company sponsored training/development events, remember to deliver special recognition and feedback for those who take advantage of the opportunities. Encourage employees whom you want to retain and groom for future positions to participate in training/development as well. Although you can never guarantee an employee a higher level position, you can provide the opportunity for growth through training, challenging projects, and/or assignments that prepare the employee to be the best candidate for promotional positions when they become available. Explaining this growth benefit helps employees to better understand the reciprocal nature of development and how their initiative and investment of energy is required to prepare for the opportunity.

How Do You Measure the Results of These Training Opportunities?

Tenure of good workers is a good indication of how your efforts are being received. Reduction in turnover is the recip-

rocal indicator of whether good workers are valuing what you are offering. Retention or work environment survey questions that directly reflect on your training and development efforts are examples of specific feedback that can be measured and tracked over time. Sales and service effectiveness measures are usually maintained and can be used as indicators for specific training conducted to enhance these figures. All the traditional measures of performance in manufacturing such as scrap, cycle time, order fulfillment, and so forth can be used as indicators of training impact. Earnings per employee is a frequently used measure of performance and improvement.

Customer surveys and/or feedback reflect the quality of service received and the satisfaction level that can be improved through focused training efforts. If you have a succession planning process, the measurement might be the readiness lists you maintain to backfill key roles. The number of individuals you have who are ready to fill these roles may be another indicator. A more direct form of measurement is to calculate the return on investment (ROI) from specific training efforts by collecting pre- versus post-performance improvement measures, expenses for creating the training, lost work time, travel, and more.

What Results Can You Expect?

Very few of the suggestions for measurement mentioned previously will show dramatic or immediate changes that can be directly attributed to your training and development efforts alone. But, if the development of people focused on supporting business objectives is a strategy of your organization, the measures of business performance referenced previously will improve over time. You will have developed good people to fill critical performance roles in your organization. You will have effectively re-recruited key contributors who support the achievement of your business objectives. Both your

current and future employees will perceive career development as a benefit. A learning environment focused on continuous improvement will assure the ongoing entity status of your organization is maintained.

Good organizations that focus on meeting employees' expectations for career development expect some turnover. But they also expect to keep track of former employees and include them as potential rehires if they should require their knowledge/skills at a future time. These employees are usually willing to return because they know the company values their knowledge and skills and will continue to support their career growth in the future.

The Bottom Line: If You Train Them, They Will Stay

Your employees will make or break your business. One of the higher priorities of the current workforce is to expand its knowledge and skills to remain personally employable in this fast changing business environment. It is the current form of job security for them—lifetime employability.

Businesses Have a Choice

Make a strategic decision to adjust internal systems and support the employees' requests for career development to engender the corresponding allegiance and tenure which will develop, or choose to ignore employees' career development needs and continue to suffer in a performance system that ensures high turnover rates and lowered productivity. The choice is obvious: if you create an environment which is productive for both you *and* your employees, your productivity will rise and your company will enjoy greater success. Start building for your company's future today.