Training and tenure

Why two out of three of your new hires are considering leaving and what you can do about it

Contents:

The WorkTrends™ survey

Employee responses presented in this report were gathered as part of the WorkTrends™ survey by IBM, which has been administered annually or biannually since 1984.[1] In 2012, the WorkTrends survey was taken online by approximately 33,000 employees in 28 different countries who work full-time for an organization of 100 staff members or more.[2] The survey asks employees more than 200 questions about employee opinions and attitudes, manager and leadership behaviors, organizational practices and demographic variables. WorkTrends data are unique because they are a representative sample – a cross-section of workers across the globe, which enables us to generalize our conclusions to the broader working population.

Executive summary

The conventional wisdom is that recent hires are smitten with their new organization and experience a "honeymoon" period in their first months at a new job. This report raises questions about the veracity of this myth, for we found that employees who have been with an organization less than one year are among the most likely to consider leaving it.

In "2012 Corporate Recruiting Reports: Cost & Time," Staffing.org estimated the average cost of recruiting an employee is 13.4 percent of that employee's total compensation for the first year of employment.[3] Given the significant cost associated with searching, selecting and hiring new employees, organizations have a clear bottom-line interest in avoiding undue turnover, especially among new recruits.
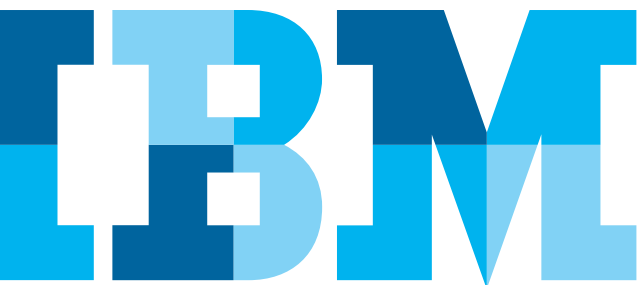
In this WorkTrends™ report, we examine how training and development initiatives might be used to prevent turnover of new recruits and workers at each stage of the employment lifecycle. Some key findings are:

- When new employees have the basic tools they need to perform optimally (i.e., training, goals, feedback), their turnover intentions drop from 34 percent to 15 percent.
- Twelve percent of new employees say education and career growth are the most important things they want from the organization for which they work.
- Only 58 percent of employees, globally, are getting basic training (the training an employee needs to perform their current job effectively), which means more than two of every five employees are not getting the training they need.
- Key decision-makers may be out of touch with new employee training. Eight out of 10 senior leaders believe their new recruits are getting the training they need. However, only six out of 10 new recruits believe this themselves.
- Basic training is not enough; providing employees with career development opportunities is also crucial for retaining talent. Employees who do not feel they can achieve their career goals at their current organization are 12 times more likely to consider leaving than employees who do feel they can achieve their career goals.

We also discuss in this report, what organizations and managers can do to support training and development. By using onboarding processes and learning management systems, and by adopting an "always learning paradigm," organizations can create an environment that facilitates and fosters learning and development among all employees. Managers also have a role to play; key skills needed to promote learning include setting goals, communicating a vision and supporting innovation.

Basic training reduces intention to leave

Despite conventional wisdom and what many IBM client surveys suggest, new employees (those who have been employed at an organization less than one year) are among the most likely to consider leaving it (*Figure 1*). Turnover intent among the least tenured employees is reduced by 12 percentage points when basic training has been received, but nearly doubles when it has not been received (*Figure 2*). Turnover intent is also reduced six percentage points when clear performance goals are set for new employees (*Figure 3*) and 12 percentage points by providing new employees with performance feedback (*Figure 4*). When all three needs are met (new employees receive basic training, have performance goals and receive performance feedback), turnover intentions drop from 34 percent to 15 percent.

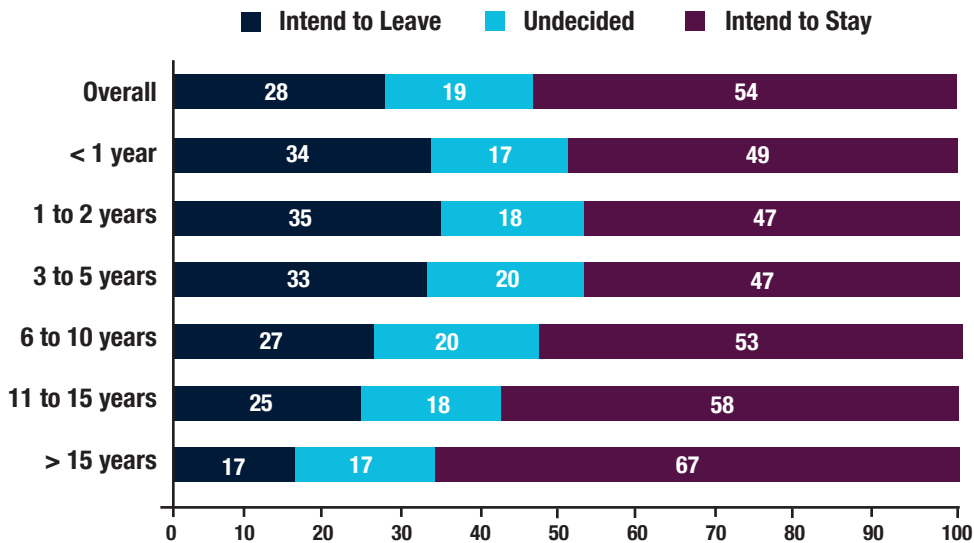**Item is "I am seriously considering leaving my organization within the next 12 months."**

■ **Intend to Leave**   ■ **Undecided**   ■ **Intend to Stay**

Tenure	Intend to Leave	Undecided	Intend to Stay
Overall	28	19	54
< 1 year	34	17	49
1 to 2 years	35	18	47
3 to 5 years	33	20	47
6 to 10 years	27	20	53
11 to 15 years	25	18	58
> 15 years	17	17	67

Figure 1: Turnover intentions by organizational tenure

Item is "I receive the training I need to perform my current job effectively."

	Intend to Leave	Undecided	Intend to Stay
Training Received	22	16	62
All New Employees	34	17	49
Training Not Received	64	15	21
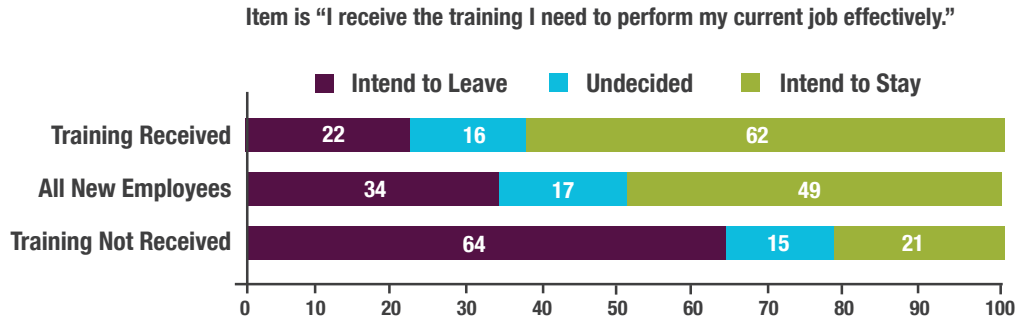
Figure 2: New employee turnover intentions by training

Item is "I have clearly defined performance goals and objectives."

	Intend to Leave	Undecided	Intend to Stay
Clear Performance Goals	28	16	56
All New Employees	34	17	49
No Clear Performance Goals	56	17	27
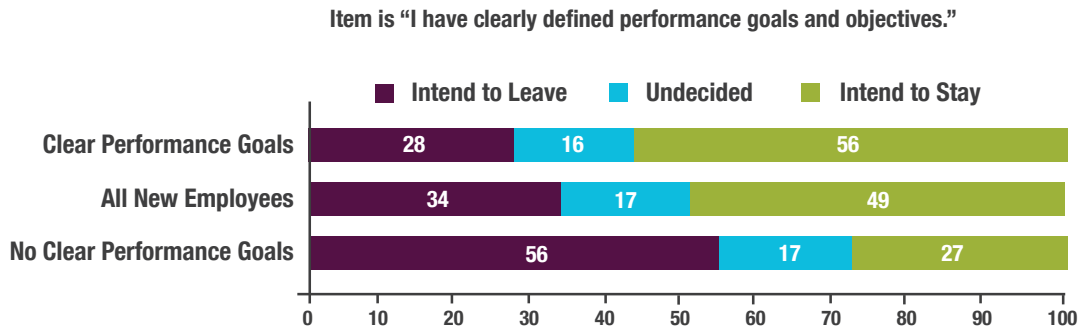
Figure 3: New employee turnover intentions by goal-setting

Item is "My manager gives me useful feedback on how well I'm doing my job."

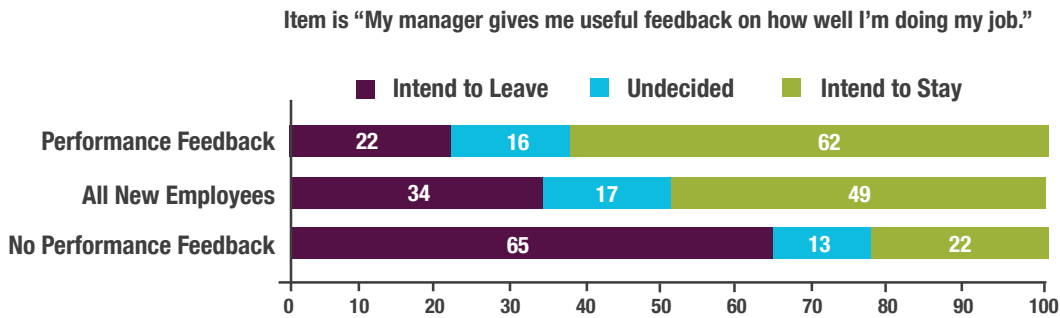|	Intend to Leave	Undecided	Intend to Stay
Performance Feedback	22	16	62
All New Employees	34	17	49
No Performance Feedback	65	13	22

Figure 4: New employee turnover intentions by performance feedback

The message is clear: Providing new employees with the basic tools they need to perform optimally leads to lower turnover intentions and protects the organization's human capital investments. As *Figures 2*, *3* and *4* show, if you provide basic training, set clear performance goals and give performance feedback, you could positively impact turnover intentions.

Career growth is most important to new recruits, but still important to more tenured employees

Employees want and need to learn and grow in their organization. In Dr. Jack Wiley's book, "RESPECT: Delivering Results by Giving Employees What They Really Want" (Wiley & Kowske, 2012),[4] decades of research were used to summarize the seven elements that employees want most from their organizations. These elements include recognition, exciting work, security, pay, education and career growth, conditions and truth – forming the acronym RESPECT. Most relevant to this report is the "education and career growth" element, which includes not only job skills training, but also professional and personal development. Employees want their organizations to provide them opportunities for advancement, such as challenging job assignments and promotions. Employees also want to have equal opportunity for both professional development and career advancement.

Employees across the tenure spectrum are remarkably similar in terms of their wants and needs, though at least one interesting difference does exist (*Figure 5*). Least tenured employees more often want education and career growth. This is not surprising because new employee onboarding is an important process involving a lot of training – training that forms a foundation of knowledge and skills new employees need to rely on more so than employees with more experience. Yet, even some of the most tenured employees chose education and career growth as the most important thing they want from their organization. This reinforces education is an ongoing process that is important to each employee. Learning still remains relevant even to employees who have been with their current organization for more than 15 years. This may have less to do with basic training necessary to do a current job, and more to do with the learning required for lateral career moves, promotions, leadership positions, or simply employees' desires to continuously learn and expand their knowledge.
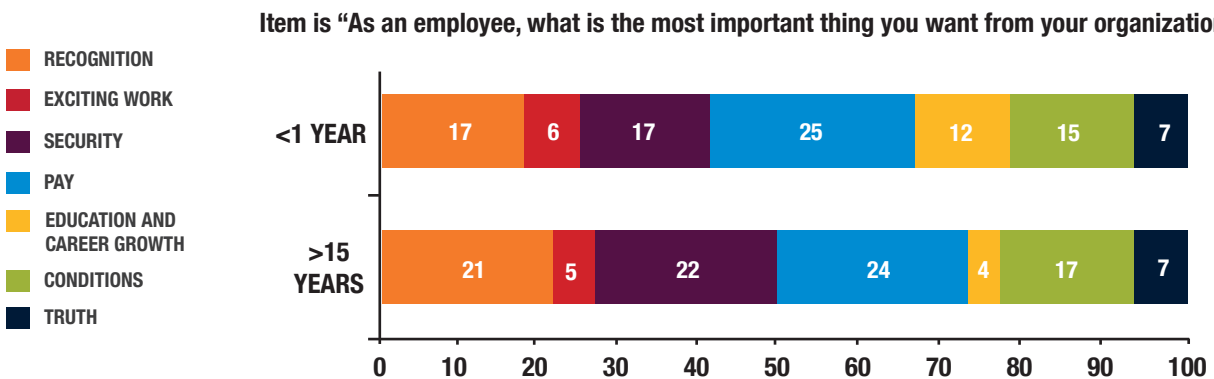
Item is "As an employee, what is the most important thing you want from your organization?"

Figure 5: Respect by organizational tenure

Almost half of all employees are not getting the training they need

Despite this need for training and development, only 58 percent of employees globally believe they are getting the basic training they need to do their jobs well (*Figure 6*). New employees fare no better (at 59 percent), even though we might expect a large component of their job to be learning their new role.

For comparison, we asked respondents to rate their organization on product quality and innovation, how well it competes in its own industry, and whether it has an outstanding future. In the best performing organizations, 84 percent of employees are getting the training they need to do their jobs (*Figure 7*) – 26 percentage points higher than the global average and a staggering 68 percentage points higher than the worst performing organizations.
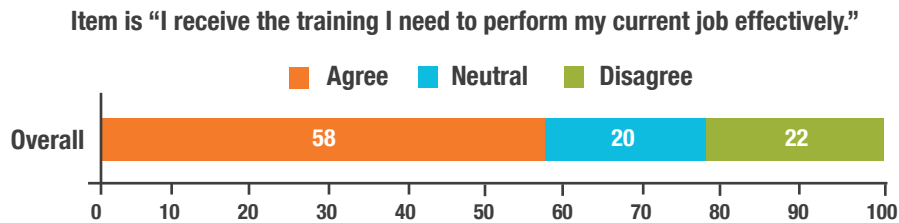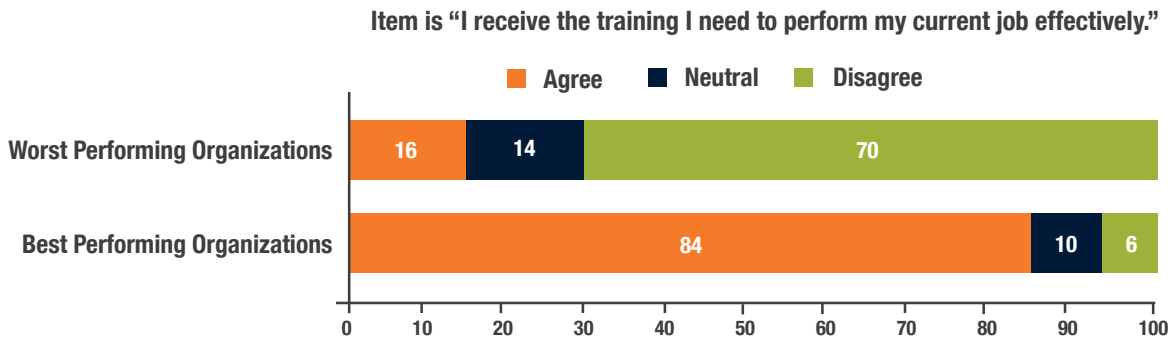
Item is "I receive the training I need to perform my current job effectively."

■ Agree   ■ Neutral   ■ Disagree

	Agree	Neutral	Disagree
Overall	58	20	22

Figure 6: Basic training

Item is "I receive the training I need to perform my current job effectively."

■ Agree   ■ Neutral   ■ Disagree

	Agree	Neutral	Disagree
Worst Performing Organizations	16	14	70
Best Performing Organizations	84	10	6

Note: Best Performing Organizations are those that employees rated favorably on product quality and innovation, competitiveness and future. Worst Performing Organizations are those that employees rated unfavorably on those four aspects.

Figure 7: Training by the best and worst performing organizations

Decision-makers may be out of touch with new employee training

When we asked employees to rate the amount of training new employees receive at their organization, only six out of 10 believed new employees are getting the training they need (*Figure 8*). New employees themselves agree – six out of 10 new employees feel they are getting the basic training they need. Yet the decision-makers – senior leaders (*Figure 9*) and Human Resources (HR) professionals (*Figure 10*) – seem to be a little more optimistic. Seven out of 10 HR professionals believe employees are getting the training they need and that figure rises to eight out of 10 among senior leaders. Clearly a disconnect exists between decision-makers and training recipients, perhaps resulting in under-investment in training in many organizations.

One solution for this disconnect may be a lack of objective training performance metrics. According to Dr. Donald Kirkpatrick, Professor Emeritus at University of Wisconsin and Honorary Chairman of Kirkpatrick Partners, there are four ways to evaluate training: reaction, learning, behavior and results.[5] For example, an introductory sales course could be evaluated by giving students a survey about the training quality (reaction), by testing students on the content taught in the sales course (learning), by observing whether students actually end up using the sales tactics they learned (behavior), or by measuring changes in sales volume before and after training (results). By evaluating training effectiveness and sharing those results across the company, organizations can close the gap between perceptions of managers, HR professionals and the rank-and-file.

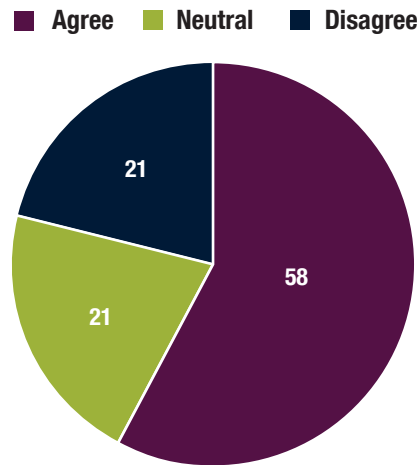**Item is "New employees receive the training necessary to perform their jobs effectively."**

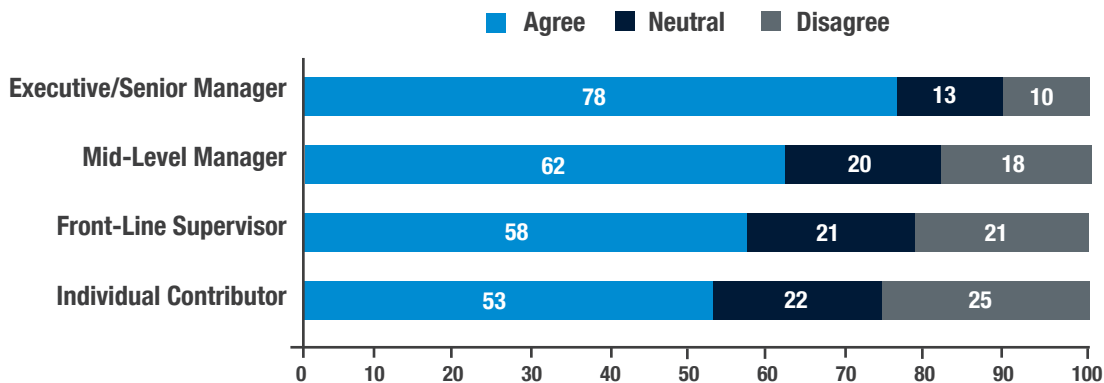*Figure 8*: New employee training

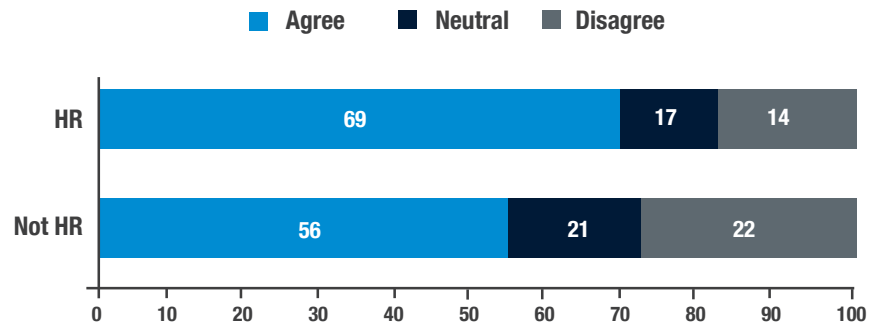*Figure 9*: Perceptions of new employee training by job level

Figure 10: Perceptions of new employee training by HR role or department

Basic training is just the beginning

Providing employees with basic training is one thing, developing them is another. While basic training provides employees with the tools they need to perform their current job, development provides them with the tools to perform some future job in their careers. Development also implies that employees take responsibility for their own career journey and are not simply passively receiving training. This is important. Bottom line: employees need more than basic training – they also need to feel like they can advance their careers. Employees who do not feel they can achieve their career goals at their current organization are 12 times more likely[6] to consider leaving than employees who do feel they can achieve their career goals. Even worse, this number skyrockets to about 30 times for new employees.

The importance of career development, especially to new employees, again highlights the importance of having an onboarding process and learning management system (LMS). While onboarding and learning management have focused traditionally on job training, modern processes and systems should also help new employees facilitate informal mentoring, foster collaboration across jobs and business functions, and identify subject matter experts in the organization. Having a mentor, being exposed to other jobs and functions, and knowing "who is who" in the organization can all help employees advance their careers in the organization.

Bottom line: employees need more than basic training – they also need to feel like they can advance their careers.

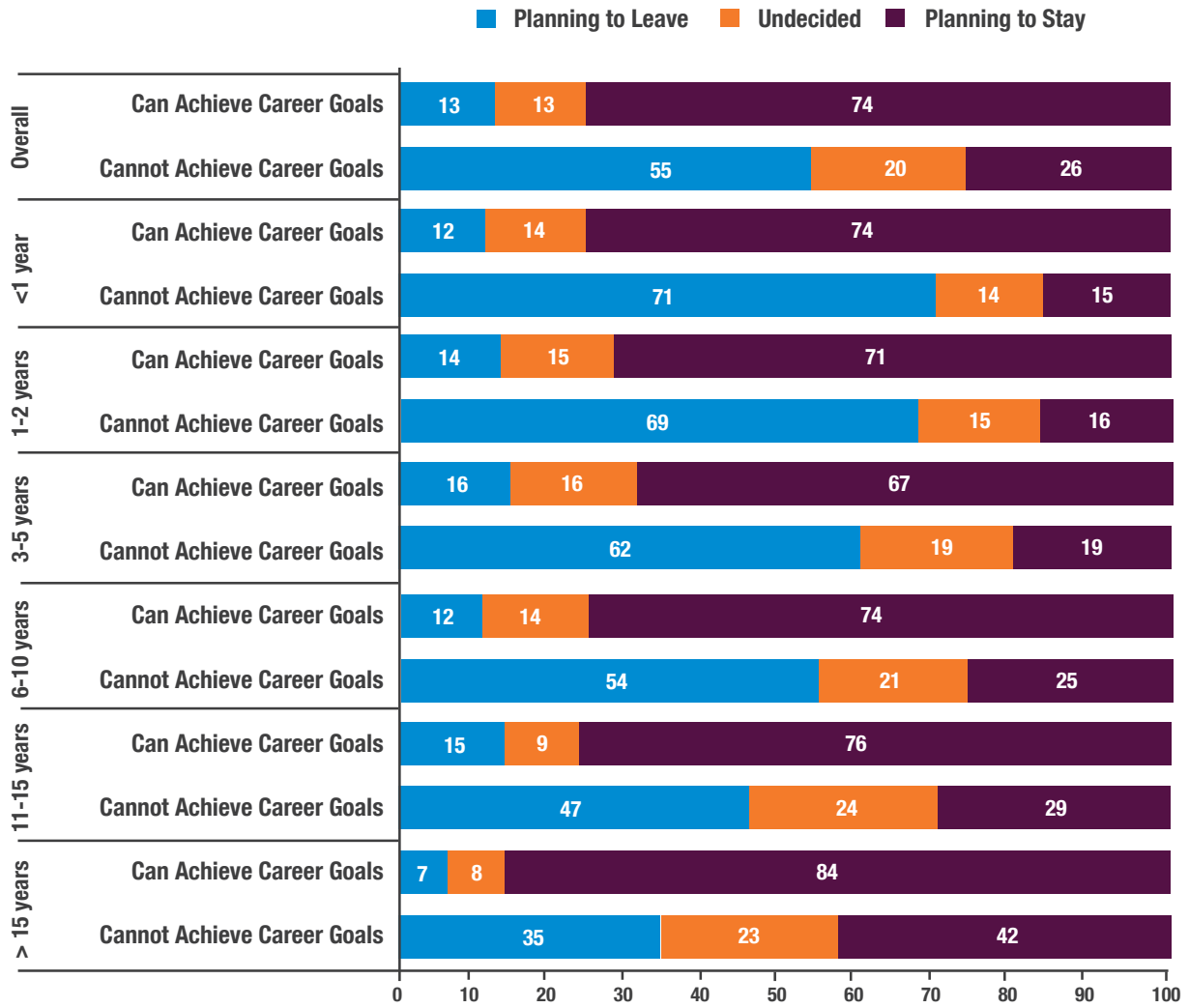**Item is "I can achieve my career goals at this company."**

Legend: ■ Planning to Leave ■ Undecided ■ Planning to Stay

Overall
- Can Achieve Career Goals: 13 | 13 | 74
- Cannot Achieve Career Goals: 55 | 20 | 26

<1 year
- Can Achieve Career Goals: 12 | 14 | 74
- Cannot Achieve Career Goals: 71 | 14 | 15

1-2 years
- Can Achieve Career Goals: 14 | 15 | 71
- Cannot Achieve Career Goals: 69 | 15 | 16

3-5 years
- Can Achieve Career Goals: 16 | 16 | 67
- Cannot Achieve Career Goals: 62 | 19 | 19

6-10 years
- Can Achieve Career Goals: 12 | 14 | 74
- Cannot Achieve Career Goals: 54 | 21 | 25

11-15 years
- Can Achieve Career Goals: 15 | 9 | 76
- Cannot Achieve Career Goals: 47 | 24 | 29

> 15 years
- Can Achieve Career Goals: 7 | 8 | 84
- Cannot Achieve Career Goals: 35 | 23 | 42

Figure 11: Turnover intentions by ability to achieve career goals by organizational tenure

The always learning paradigm

While learning is essential for new employee success, more tenured employees still need development. When we look at development by organizational tenure, we find new employees are the most optimistic about their future career at the organization (*Figure 12*). This makes sense, given they have just begun a new job that may represent a career advancement. However, there is a notable downward trend in positive attitudes toward development, the longer an employee stays with the organization. The difference between the least and most tenured employees is a very noteworthy 10 percentage points.

Item is "My organization is helping me develop the skills that I will need in the future."
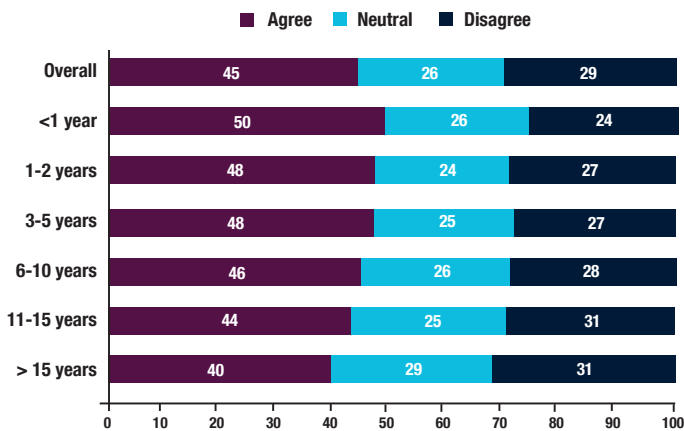
Figure 12: Development by organizational tenure

The challenge for organizations is to nurture their employees so they thrive throughout their organizational tenure. Organizations can do this by adopting an "always learning paradigm."

Employees who have received a performance appraisal in the past 12 months are four times more likely to believe their organization is preparing them for the future than employees who have not received a performance appraisal (*Figure 13*). Employees who receive performance feedback from their manager are 17 times more likely to believe their organization is preparing them for the future than employees who do not receive performance feedback (*Figure 14*). This highlights the fact that regular performance feedback is even more critical than the appraisal process, which may be considered more of a hygiene factor.

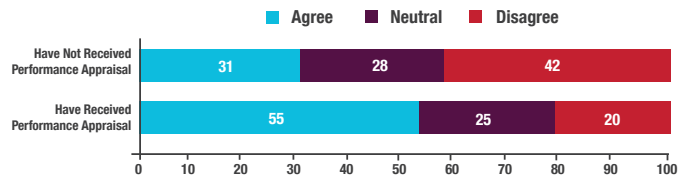Item is "My organization is helping me develop the skills that I will need in the future."

Figure 13: Development by performance appraisal

Item is "My organization is helping me develop the skills that I will need in the future."
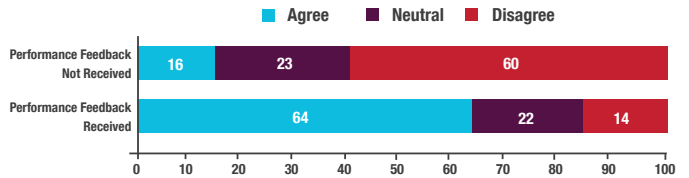

Figure 14: Development by performance feedback

Tips for organizations and managers

As discussed throughout this report, onboarding and learning strategies are especially effective in training and developing employees. As much as possible, organizations should incorporate training and development into their onboarding processes. Organizations should also offer employees various ways to learn – formal learning (classroom, virtual classroom, elearning, mobile, independent etc.) and social learning (both online and off). Different media types enable employees to select the training that best suits their individual needs (text, audio, video, etc.), which can also be accessed on mobile devices (mobile phones, smart phone, tablets) to accommodate a more mobile employee.

Managers also play an important role in an employee's training and development. Employees who perceive their managers to be personally invested in their development have higher Employee Engagement Index (EEI) scores than employees who do not perceive their managers this way (*Figure 15*). Organizations can support and enable better relationship building between managers and employees through leadership development. The most important leadership skills for promoting perceptions of manager investment are to:

- Use goal-setting to motivate employees.
- Inspire employees by communicating the company's vision – start by including it in the onboarding process.
- Support employees' new and innovative ideas.
- Collaborate with employees on decision-making, especially if the decision affects them.
- Give employees honest and fair performance feedback – employees will not know how they are doing unless you tell them.
- Recognize employees for their contributions.
- Listen to and share information with employees.

Organizations can support and enable better relationship building between managers and employees through leadership development.

Item is "My manager has made a personal investment in my growth and development."
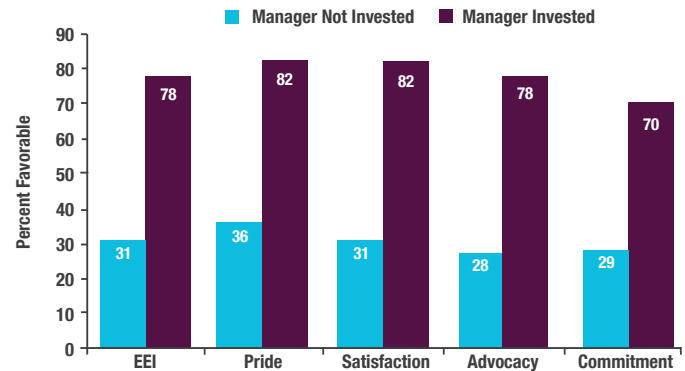
Figure 15: Employee engagement by manager investment

Best practices

Many organizations are having great success with the latest technologies. Mobile learning management systems may help new employees get the training they need, when they need it, while social LMS may help them connect with their peers to facilitate knowledge sharing.

Learning management systems can help organizations ensure employees, independent of their tenure, have access to the learning and development they need to contribute quickly and significantly to the organization's success.

For more information

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1 Kenexa WorkTrends Survey. 2012. In its current form, WorkTrends is a multi-topic survey completed online by a sample of employees representative of a country's working population in terms of industry mix, job type, gender, age and other key organizational and demographic variables. In most countries, survey takers must be adults who work full-time for an organization of 100 employees or more; this threshold drops to 25 employees or more in countries with smaller economies or hard-to-reach populations. The survey has over 200 items that cover a wide range of workplace issues, including senior leader and direct manager effectiveness, recognition, growth and development, employee engagement, customer orientation, quality emphasis, innovation, corporate social responsibility, workplace safety, work stress and performance confidence. In 2012, over 33,000 employees were surveyed, representing 28 countries.

2 Except for UAE, KSA and Ireland, which required only 25 staff members.

3 2012 Corporate Recruiting Reports: Cost & Time, Staffing.org http://www.staffing.org/documents/07_CostandTimeReportLookInside.pdf.

4 Wiley, Jack & Kowske, B, RESPECT: Delivering Results by Giving Employees What They Really, 2012, San Francisco, CA; Jossey-Bass.

5 Kirkpatrick, D. 1998. Evaluating Training Programs: The Four Levels. Berrett-Koehler Store.

6 Likelihood was estimated by computing the odds ratio. In this case, it is the odds an employee plans to leave versus plans to stay given career goals cannot be achieved divided by the odds an employee plans to leave given career goals can be achieved (i.e., 55/26 divided by 13/74 equals 12).

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