

## ★ The Evidence is In! ★ Training Improves Employee Engagement and Retention

The current labour market in Alberta is challenging for all organizations and “help wanted” signs have become a regular part of the landscape. Although Albertans are cashing in on the province’s booming economic success, businesses continue to face a labour shortfall and the situation is expected to become more grave. A recent report released by the Conference Board of Canada states:

*“Although Alberta’s red-hot employment market is making news, existing trends point to a shortage of 332,000 workers in the province by 2025.... The report suggests that a comprehensive strategy be introduced to dramatically increase the availability of qualified workers between now and 2025. This strategy could include improved training and apprenticeship programs”*

Although employee recruitment and retention is on the top of mind of Alberta business leaders, Alberta’s small and medium sized businesses are finding it even more difficult to compete for talent against the “deep pockets” of energy companies. The result has been a negative impact on the ongoing engagement and retention of employees within all industries.

Feedback from small and medium sized business clients is consistent – they cannot afford to compete for talent by matching the competitive wage and benefit programs offered by highly successful energy companies. So how can smaller businesses retain talented employees who will be committed to organizational success?

The size and structure of small and medium sized businesses typically allow them to be more agile in adapting their culture to meet changing business demands. These businesses may be well equipped to utilize training and development as a key strategy to engage and retain talent by preparing them to assume more interesting and challenging work within their organizations.

Research conducted by the Society of Human Resources Management (SHRM) supports that although total compensation programs may

attract employees, companies can retain talent by including employee development strategies as one of the key strategies in an overall talent management program. So, exactly what impact do training and development programs have on an employer’s ability to engage and retain talent? What training and development strategies can business leaders implement within their organizations to help them address their retention challenges?

Three key articles were reviewed that outlined the quantitative and/or qualitative impact of specific training and development programs. These included a management coaching program at the Portman Building Society, a career development program at Atkins, and a variety of learning initiatives within the Information Technology industry. A review of these approaches towards employee development reveals a few strategies that Alberta businesses could adopt.

The Portman Building Society in the UK experienced recruitment and retention challenges as a result of expansive growth through mergers and acquisitions. Ann Elliot, Human Resources Director, outlined the realizations that the company culture faced and the need to develop a people strategy for “building talent and developing competent, highly successful people”.

The Society designed three distinct training and development programs to improve its ability to recruit employees, retain talent, and improve performance. These initiatives included implementation of a “License 2 Recruit” program where managers were trained in competency based interviewing techniques, an “On-boarding” program to ensure new employees received an effective orientation to the company within their first six months of employment, and a “Coaching for Performance” program that enabled managers to improve employee performance by utilizing coaching methodology.

Preliminary and anecdotal evidence at Portman shows significant improvement in turnover and retention since the introduction of these three

initiatives. The overarching evidence demonstrates that management training programs not only better equip managers to recruit, orient, and coach employees, these programs have a significantly positive impact on employee engagement and retention, as well as performance.

Similar evidence was found with the Management Development Center (MDC) program that was piloted at Atkins, a global engineering and architectural consulting company. As a result of fast-paced growth, Brian Fitzgerald, Director of Human Resources for Atkins, determined that the company needed a method for identifying and capitalizing on the key strengths and talents of its employees.

Through a series of psychometric testing, the MDC program assessed employee interests, skills and capabilities. The company then focused on identifying the strengths that each employee brought to the organization and deploying employees to positions that ensured a suitable fit. In addition, career plans were developed by engaging employee ownership in the process.

The MDC program results demonstrated that “retaining employees is not always just about money” since those who participated in the program experienced significantly less turnover than the overall company average. The program outcomes directly link the impact of a career development program to improved employee satisfaction and retention. In addition, the program results demonstrate the impact a company can have on retaining talent without improving compensation and benefit packages.

Additional considerations regarding the costs associated with employee development programs were explored in a recent article by

Bob Lewis. In considering the need to improve the breadth and depth of knowledge of IT professionals, Lewis identified innovative strategies that companies could easily adopt to manage training budgets and reduce time required to attend formal training programs. The strategies outlined in the article included assigning employees to temporary assignments, having employees participate in cross-functional teams, or presenting lunch and learn sessions to peers.

Anecdotal evidence supports the positive impact these in-house learning strategies have on engagement and retention. In addition, the cost-effective innovative ideas identified are valuable to businesses as they seek methods to provide training and development to employees in a cost-conscious manner. By developing learning strategies that engage employees to share their knowledge, businesses can expect to increase the knowledge base of employees, control costs and retain talent. As Bob Lewis states, “the best employees look for employers willing to invest in [their] knowledge. And that translates into improved employee retention.”

These three examples demonstrate how businesses can train managers to hire right, seek ways to effectively integrate employees into the organization, provide coaching to raise performance levels, design career development programs to excel careers, and develop innovative learning initiatives that invest in organizational knowledge sharing and employee growth. The evidence suggests training and development have a positive impact on higher levels of employee engagement and retention. By adopting some of these strategies, Alberta business leaders can improve their ability to meet their own employee engagement and retention goals. The evidence is in, training and development is an investment worth making.



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