

What Makes Employees Stay

All we had to do was ask.

Natalie LaPrade was about to graduate with a master's degree in computer science from Wake Forest University last June. She wasn't surprised that several companies were interested in her high-demand skills. The problem, though, was that LaPrade wasn't sure what she wanted to do. She did know that she wanted some real-world training that would point her in the direction of her dream job.

It's that desire, common among current graduates, that led LaPrade to join SAS Institute, a software developer in Cary, North Carolina. "I had no idea what to expect at a company job, so I picked a company that

had extensive training," she explains. Starting with 20-some other new graduates, LaPrade attended eight weeks of boot camp at SAS, learning about the company, the technology, and such general business skills as time management. Then, she spent several more weeks rotating among various work teams to find one that best suited her desires. "I was amazed that a company would do this," she says.

LaPrade may be amazed, but companies such as SAS realize they're competing for an ever-smaller share of the labor pool. They find training a competitive advantage. It makes for better employees who gin up the company's competitive level, and revs up recruitment and

By Margaret Olesen

retention.

"It's a very competitive labor market, so we need all the tools we can get to attract candidates," says Judy Wiens, manager of strategic sourcing for Motorola University. "There is definitely a sense among new graduates that they know they have choices and don't have to take the first job offer. They're looking for a job that will help them get the next job."

New contract, new currencies

"Just a few years ago, companies were still in the parental role of determining when and where their employees would be developed," says Eileen Garger, vice president of product management for Drake Beam Morin, a New York City-based outplacement and human resources consulting firm. "Training was for the company's own devices, to make people more productive and efficient. Now, however, employees want to own their development process."

Indeed. "We read a lot in the press that employees aren't loyal today," says Thomas Mahan, vice president and senior consultant with Saratoga Institute in Santa Clara, California, a division of Interim Services. The organization interviewed 60,000 employees who had quit their jobs in 1998, to discover their motivation to work and choose a specific organization. "We found that there is an emergent population that defines loyalty differently. They tell us that their loyalty is tied to their confidence in their ability to do the work required in the company in the future. They're saying, 'Teach me the things that will keep me employed here.' As a result, their motivation is tied to education, mentoring, and growth opportunities. This is probably the first time since World War II that training and human capital competence are the leverage."

The result is a new contract between employers and employees. "The contractual relationship between employer and employee is becoming competency-based," says Harold Weinstein, chief operating officer of Caliper Management, an international psychological assessment and human resources consulting firm in Princeton, New Jersey. "Competencies are now seen as currencies. From employees' perspective, competencies are assets they can trade for higher salaries."

College placement centers confirm

that. "Our students are very focused on choosing the right career," says Bill Pomeranke, assistant director of the business career center in the Carlson School of Management at the University of Minnesota. "They know that part of their happiness in a career is to keep building on their skills. So, they're very interested in what type of training companies offer."

The basic economics of supply and demand adds more potency to this new attitude. When skills are in short supply, workers can demand more. "The United States has the smallest entering workforce this year since 1929. Births have gone down 35 percent since 1965, yet the GNP has gone up 96 percent in the same period," says Mahan. "Companies say their biggest human resources concern is a lack of qualified applicants. As a result, the demand for continued training is an alignment issue with employees and employers. The employees want

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training for their own reasons."

And the employers are, in turn, providing it. A 1999 survey by the Society for Human Resource Management shows that 94 percent of U.S. companies offer professional development and 85 percent offer educational assistance as benefits. Ninety-eight percent of companies with 5,000 or more employees offer professional development, and 93 percent offer educational assistance.

More companies every year are realizing the value of training as a recruitment tool, says Richard Fountain, team leader for the southern region operations of Quick Start, a Georgia state program that develops customized training programs for companies relocating to the area. "Every year, we've seen more companies take advantage of that," says Fountain. "This year, we had more than

70 firms use our services. It's one of the primary reasons a lot of companies move to Georgia."

Technical skills top the list

It's no surprise that technology workers are among the first candidates to ask what type of training a company offers. "There has definitely been increased interest from candidates wanting to know what the company does to ensure their skills are up-to-date," says Wiens. "It used to be that new grads wanted to see whether a company would pay for their master's degree, and that was the extent of their concern. Now, with technology changing so fast, they've all seen that it doesn't take long for your skills to get out of date."

Some candidates just want to know they'll be able to handle the job. "I recruit a lot of technical people, and I think they ask about training because this is a very competitive environment. They're concerned that they'll be in a sink-or-swim atmosphere," says Steve Zitnick, director of corporate HR for H.B. Fuller, an international adhesives manufacturer. "They look at technical training as important to their success at the jobs they're interviewing for."

Tech Central president John Jay has even used technical training to lure full-time workers into doing temporary work. The Edina, Minnesota temporary services firm specializes in technical workers such as engineers and draftsmen. "For the past couple of years, we were one of the few sources of training on some of the most-desired computer-aided design programs. People would quit their full-time jobs to work for us because we offered them the training for free. We needed to give people a good reason to come to us, and training was it."

The other half

Technical training is only half of the picture. Savvy graduates recognize that those skills alone won't land them tomorrow's job; they'll need the skills to navigate a team-oriented workplace.

"The employees we surveyed said companies are throwing technology training at them and turning them into nerds," says Mahan. "About 75 percent said they want interpersonal skills training. A lot of people don't know how to have a conversation over lunch."

Says Zitnick, "The questions definite-

ly go beyond technical skills. New grads want to know how much a company is willing to invest in them so they can be successful. They want training about teamwork, the company's history, the way it measures performance, and [similar] skills."

New graduates are just responding to the cues from corporate America, says Lynn Russell-Covert with Tampa, Florida-based AchieveGlobal. "Employers want teamwork, higher productivity, and leadership at all levels," she says. "Employees, in turn, see those skills as a way to increase their employability. Those kinds of skills are seen as broader skills they can use in any organization."

That can be an especially big concern for technical graduates. "They don't get the necessary soft skills training in college because they're so busy learning the technical stuff," notes Jay. "So many workplaces are team oriented now that [employees] need interpersonal skills."

New employees are also looking closely at the mistakes their parents made. "In most cases, career derailment is not because of technical skills but interpersonal skills," says Garger. "People are looking to fill that gap."

Consequently, even the most technically oriented companies are responding. At Motorola University, employees can take a host of technology classes, but they also receive training in such topics as interpersonal communications, parenting, and weight management. At Tech Central, Jay provides training in customer service, conflict resolution, interpersonal relations, and teamwork.

At SAS Institute's boot camp, employees get technical training, but they also work on business ethics, time management, and leadership skills. "They understand that projects cross departments more now, so they have to work together," says Suzy Nisbet, manager of R&D human resources.

Though more companies are seeing training as a magnet for attracting employees in a tight labor economy, many don't recognize that a prerequisite with high perceived value can have great benefits. "Some companies struggle with the fact that they're training their competition's future employees," notes Connie Wanberg, assistant professor in industrial relations at the University of Minnesota. "However, to stay competi-

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tive now you have to maximize your intellectual capital. You have to make sure you have the best employees."

At Envirocon's Statesboro, Georgia location, candidates attend 16 hours of training on their own time. "We talk about general plant safety and working with fractions, decimals, and the metric system," says Steve Miller, training coordinator for the architectural glass supplier. "The advantage for us is that it allows us to evaluate employees more than in an interview. For employees, it allows them to look at our company and see if it's what they really want to do."

Because employees value training, they'll be more loyal to a company that provides it—a fact that attracts the budget-focused eyes in any organization.

Says Mahan, "We found that if the American workforce has the training it wants, 12 percent will leave their current company anyway. However, if they don't get the training, 41 percent will leave. If you have a company of 1,000 employees, that means employee turnover will cost you \$14.5 million a year. It's not hard to get the CFO's attention with that number."

When SAS Institute decided to revamp its training to create the boot camp program a few years ago, it looked closely at the numbers. "The industry average turnover is 22 percent," says Annette Holesh, personnel director. "Our turnover is just 4 percent. We figure that saves us \$50 to 60 million a year. Although we can't tie the low turnover directly to our training, we know it's a major factor."

LaPrade, now an interface analyst with SAS, agrees: "Just that the company is willing to invest in me motivates me to give back. I feel that a lot of people want a company to really value them. Training and development are one way a

company shows that."

Another benefit is that a company can create the kind of employees it wants. "Employers haven't been able to find high levels of expertise, so they have to find good prospects and train them to the job," says Weinstein. "The result is a loyal employee who doesn't bring any baggage from other companies."

For example, several years ago, Allen Stein, director of The Learning Institute for United Healthcare in Hartford, Connecticut, charged his managers with creating the profile of a perfect candidate for the information systems staff, mostly programmers and systems analysts. "What was more important than technical competency was interpersonal skills," he says. "We wanted people who could solve problems. We could train them in computer science."

With employees taking charge of their development, companies have to make a slight change in their thinking toward the training department. "It has to be good development. It has to fit with the company's goals and objectives," says Wanberg. "Some companies are getting employees to be proactive with their careers. If there's something they need or desire, they want employees to say so."

Interim Services of Ft. Lauderdale, Florida, advises several approaches for mentoring, training, and growth opportunities that will entice employees to your organization and keep them there.

- ❑ Don't base employees' growth opportunities on their tenure but rather on their contributions.
- ❑ Encourage all managers to identify successors and future leaders, and to inform those star performers of different career paths within the organization. Give them the tools to develop career goals and to identify how the company can help them attain these goals.
- ❑ According to not-for-profit research organization Talent Alliance, futurists estimate that 60 percent of all skills required for the future are had by only 20 percent of the workforce. Evaluate your company's future needs, and provide training opportunities to prepare employees to meet those needs.
- ❑ Offer a variety of educational opportunities on such skills as facilitation and communication, as well as on so-called hard skills such as computer training.

Three Who Demanded Training

Meet Jon, Kimberly, and Patrick. They are in their early 20s and graduated this past June with bachelor's degrees.

Jon Swenson majored in electrical engineering at MIT in Boston and is considering several offers from companies in the Chicago area, his hometown. Kimberly Huchtner received a degree in business with an emphasis in marketing from Mankato State University in Mankato, Minnesota, and recently started a job as a marketing assistant at a small advertising agency in Minneapolis. And Patrick O'Neal received his degree in history from Boise State University in Boise, Idaho. He works as a corporate sales representative for LaTech, an athletic-equipment manufacturer in Los Angeles. Three different young adults with three different career aspirations. Yet, for all of their differences, these new graduates have two important factors in common: They know the value of training, and they are demanding it from their employers.

What they wanted. "I didn't know the first thing about working in the real world," says Huchtner, who would like to own her own advertising agency someday. "I had a few internships and summer jobs, but nothing prepared me for the full-time business world. My parents and friends kept telling me how much I needed to learn, such as how to get along with people you don't like or how to convince a client to do something. I wanted to find a company that understood I needed to learn those things and would help me learn them. I was going to invest possibly years of my life at a company, so I wanted it to show that it was willing to invest in me."

"For me, the issue is staying current with the marketplace," says Swenson, who hasn't decided exactly what direc-

tion he'd like his career to take. "I don't intend to be in my first job forever, so I want to find a company that will keep me educated in the field and show me different things so I can figure out what I like best."

As for O'Neal, he knew he'd never be a full-time historian, but he thought a liberal arts education would be good grounding. "Needless to say, my first question was about training. I figured sales would be a good way to get my feet wet in the business world, but I wanted to make sure I wasn't in a sink-or-swim situation."

What they got. Huchtner chose a small advertising agency because she figured the on-the-job training would be invaluable. With only seven employees, the company's president agreed to be her mentor and give her specific training in sales and managing business relationships. "She said she wouldn't laugh at any of my questions, even if they were as silly as how to send an overnight package," says Huchtner. "And I'm already registered to begin the basic Dale Carnegie course. After that, I want to take the presentations course, leadership training, and a sales course."

Swenson has narrowed his choices to two large companies—he won't say which—that have extensive training programs. "It'll be great," he says. "I can keep going to school forever. If I decide I want to be a project manager, I won't have to worry about how to do it because there's a course. Even more important to me, if the company ever has to lay me off, I know that my skills will be current."

O'Neal spent the summer learning the ins and outs of his company's products and procedures. He's left with a three-ring binder full of information he

understands well. In it are detailed product descriptions, specs, and company procedures for billing, shipping, handling complaints, accessing his email from his laptop computer, and anything else the sales team has had to address over the years.

"What I liked best, though," he says, "is that the company brought in people who had been selling for a couple of years to role play with us. We tagged along with the senior salespeople for a few weeks, but the role plays were how I learned the most about closing a sale."

What they want next. There's no question that training is important to these three business neophytes. They know it can make or break their success at their first jobs. But what about after they have the business basics down?

"I don't know," says Huchtner. "Once I learn these skills, I don't know what else I'll need. Everything I'm looking at is to gear me up to start my own business. Once I get there, I don't know if I'll need any more training. If I do, I guess I'll have to figure out how to find it."

There's no question in Swenson's mind that training is a lifelong pursuit. "This field changes so fast that as long as I'm in it, I'll be in school. As for stuff like leadership training, I guess once you've had that, you're done."

And for O'Neal, training is another word for living. "I think that every day you're in training because you're learning something," he says. "My dad is a business executive, and he's always going to seminars, so I figure that's what I'll be doing, too. You can always learn something from somebody."

Ask employees to evaluate the classes and their usefulness. Strive constantly to improve offerings.

□ Give employees slightly more independence than they ask for. Giving employees more responsibility than they think they can handle, without overwhelming them, helps create an environment where employees are empowered,

challenged, and never stagnant. Employees will then feel valuable. □

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