



Duthie Associates, Inc.

Learning that lasts.



Why Would a Talented Employee Want to Stay with Your Company?

How E-learning enriches corporate culture and strengthens retention of the most sought-after employees



Learning that lasts.

Summary: *Ongoing training plays a critical role in an employer's ability to attract and retain productive workers. When thoughtfully designed and implemented, e-learning systems enhance staff resources and maximize employee access to opportunities for growth; in addition, e-learning tools can increase a company's productivity, shareholder value, and profitability.*

Why Would A Talented Employee Want To Stay With Your Company?

By Peg Duthie, June 2005

“Employers who deliver education and training on an ongoing basis have a significantly better chance of holding on to their top talent than companies that do little or nothing to help their people grow.” – The Herman Group¹

According to numerous reports and surveys, one of the top challenges facing today's businesses is employee retention. The Society of Human Resource Management posits that 75% of American workers are presently on the lookout for better opportunities;² other recent polls have gauged the extent of job dissatisfaction to range between 40%-60%.³ To survive the escalating “war for talent,”⁴ companies must ensure that they are providing adequate resources for their employees to pursue professional advancement and growth.⁵ Management expert Susan Annunzio asserts that the top contributors to a company “rarely

¹ The Herman Group, “Learn, Grow, or Go,” December 22, 2004.

² Clayton Collins, “To boost the profits, keep the workers,” May 16, 2005.

³ Randy Pennington, “2004 Workplace Forecast – Update,” July 6, 2004[4]; The Conference Board, “U.S. Job Satisfaction Keeps Falling,” February 28, 2005; Dana Knight, “Workers Now Employ a Can-Quit Attitude,” May 8, 2005.

⁴ Steve Tait, interview, *WebCPA 2005*.

⁵ Max Messmer, *Motivating Employees for Dummies* (2001), 16.

leave strictly for money,”⁶ a claim corroborated by researcher Barbara J. Kreisman,⁷ but that these key contributors are also primed to jump ship as soon as they conclude a company has failed to meet their standards: post-Baby Boom employees regard a stimulating, supportive work environment not as a luxury but a requirement.⁸

In this environment, it has become imperative for employers to foster and sustain a dynamic corporate culture by investing in adequate educational and technological resources. Ed Jensen, a consultant at Accenture, emphasizes that retention strategies need to be proactive rather than reactive; it is essential that employers develop programs geared towards employee enrichment well before headhunters make their moves. Jensen contends that

retention is the natural outcome of superior human resource and training programs that help shape the company’s culture. Such programs reinforce on a daily basis individuals’ importance to the company by providing the tools, professional development and advancement opportunities that employees truly value.⁹

It is important that the programs be tailored to a company’s specific needs and goals. A growing trend in learning management is the development of “universities” specializing in an organization’s history, culture, and processes. One firm calculated that its educational efforts ultimately generated \$30 in productivity for every dollar spent, translating into \$3.3 billion in savings over fourteen years.¹⁰ Corporate universities are often staffed not by outside instructors but in-house employees eager to display and share their on-the-job wisdom with their colleagues. At their best, these learning opportunities deftly blend industry- and company-unique content (for which company

⁶ Susan Annunzio, *Evolutionary Leadership*, 82.

⁷ Barbara J. Kreisman, “Insights Into Employee Motivation, Commitment, and Retention” (2002), 9.

⁸ Annunzio, 44-47; Kreisman, 14.

⁹ Ed Jensen, “Restless Employees?” May 2005.

¹⁰ Messmer, 43.

representatives are the primary source) with the expertise of producers specializing in multimedia presentations.

A case in point: to enhance the offerings of its Star Talent University, Domino's Pizza collaborated with Harvard Business School Publishing eLearning and the National Restaurant Association Educational Foundation (NRAEF) to customize an intranet leadership and management program aimed at all of its managers nationwide. The e-learning initiative combined the curriculum of an existing NRAEF program with the specifications and brand identification unique to Star Talent University.

Domino's executives were thrilled with the flexibility and range of the e-learning system: a vice president observed that "one of the greatest benefits of this tool is that it is self-paced and accessible to our team members anytime, day or night," and an instructional designer asserted that "it's something that everyone uses across all grade levels and titles, and they continually go back to the tools as a reference." The off-hours, online accessibility of the courses also alleviated scheduling difficulties, reducing the need to pull managers away from their regular duties in order to bring them to classes.¹¹

These themes are elaborated upon by iMAN, a wireless provider, in its pitches to managers of commissioned sales reps. In exhorting the opportunities inherent in long-distance updates and maintenance, iMAN highlights the potential of its network to improve both customer service and internal communications. For instance, by conducting easily transmitted, trackable training segments (including graded quizzes) via mobile phones, a company can confirm whether its changes and additions to product information are reaching their sales reps and customers in an accurate and timely fashion. The ability to analyze scores and other feedback from the field enhances the ability of sales managers to pinpoint areas of confusion and resolve miscommunication

¹¹ Harvard Business School Publishing, "Domino's Pizza Drives Employee Retention," May 17, 2005.

glitches earlier rather than later, minimizing the impact of such problems on pending transactions.¹²

These advantages can be pursued and amplified via e-learning tools, of course—for example, via reports, checklists, and mini-lessons posted via e-mail or downloadable from secure websites. Given 24/7/365 access to a company’s online library, dedicated employees become empowered to research and revisit archived presentations, catalogs and other resources; they can refresh their understanding of complex or infrequently required procedures, study up on new or unfamiliar territories when covering for a colleague on vacation or leave, and contribute best practices via online forums and mailing lists.

When e-learning resources are developed and implemented with care, their contribution to a company’s bottom line can be substantial: Pep Boys, a retail chain, discovered that their animated, multi-course Web-based training system helped secure a 23.6%, \$2.6 million reduction in turnover.¹³ The Aberdeen Group estimates that “employee contentment delivers a bump of as much as 40 percent to shareholder profits.”¹⁴ A shift to electronic training also reduces the overhead for office supplies, space rental, refreshments, instructor fees, travel expenses, and other components of traditional seminars. Moreover, the always-accessible aspect of online resources permits supervisors to push ahead with training assignments when faced with anticipated or designated slow periods, thus capitalizing on the vagaries of industry sales cycles.¹⁵ This, in turn, helps promote employee satisfaction, both by demonstrating the company’s commitment to professional development and by keeping workers fully engaged with the firm’s objectives and processes.

¹² iMAN Wireless Mobile Solutions, white paper, 2003.

¹³ Leah Carlson, “Spending on Employee Training Remains Stable,” February 2005.

¹⁴ Collins.

¹⁵ Michelle Minton, “Is Your Organization Ready for E-Learning?” Summer 2000.

As one analyst put it, the question at the heart of employee retention is “Why would a talented person want to work here?”¹⁶ While financial compensation and benefits certainly retain their importance in the cultivation of employee loyalty, it has become abundantly clear to experts in all sectors that ongoing training also plays a critical role in an employer’s ability to attract and retain productive workers. To maximize their contribution to a company’s profits, the coursework and reference materials must be readily accessible, easily updated, and specifically tailored to the business’s identity and priorities. In light of these requirements, the flexibility and sophistication of e-learning systems provide significant advantages to companies savvy and visionary enough to incorporate them in their retention strategies.

¹⁶ Dilip Mohaptra, “Kicking Retention Strategies Into High Gear,” n.d. [copyright 2005].



Learning that lasts.

About the Author

Peg Duthie is a writer and editor in Nashville, Tennessee. She has worked in international marketing and sales, retail management, and corporate training.

About the Company

Duthie Associates, Inc. develops custom, interactive e-learning courses that assist clients in training employees, customers, prospects, and suppliers. Founded in 1989, the firm combines business experience with computer and communications technology. Since its inception, the firm has completed over 500 projects.

Duthie Associates, Inc.

3310 West End Avenue, Suite 575

Nashville, TN 37203 615.386.3061

info@duthielearning.com • <http://www.duthielearning.com>

Bibliography

- Annunzio, Susan (with Julie Liesse). *Evolutionary Leadership: Dynamic Ways to Make Your Corporate Culture Fast and Flexible*. New York: Free Press/Fireside, 2001.
- Carlson, Leah. "Spending On Employee Training Remains Stable." *Employee Benefit News*, February 2005. <http://www.benefitnews.com/education/detail.cfm?id=7077>.
- Collins, Clayton. "To Boost the Profits, Keep the Workers." *Christian Science Monitor*, May 16, 2005. <http://www.csmonitor.com/2005/0516/p13s02-wmgn.htm>.
- Conference Board. "U.S. Job Satisfaction Keeps Falling, The Conference Board Reports Today." News release, February 28, 2005. http://www.conference-board.org/utilities/pressDetail.cfm?press_ID=2582.
- Harvard Business School Publishing. "Domino's Pizza Drives Employee Retention with eLearning Program from Harvard Business School Publishing and National Restaurant Association Educational Foundation." News release, May 17, 2005. http://www.elearning.hbsp.org/home/press_release_5_17_2005.html.
- The Herman Group. "Learn, Grow, or Go." Retention Connection Blog, December 22, 2004. <http://www.retentionconnection.com/blog/>.
- iMAN Wireless Mobile Solutions. White paper, 2003. <http://www.imanishere.com/whitepaper.html>.
- Jensen, Ed. "Restless Employees? Don't Fall into the 'Retention Trap.'" Accenture Research and Insights, May 2005. <http://www.accenture.com/xd/xd.asp?it=enweb&xd=services/hp/restless.xml>.
- Knight, Dana. "Workers Now Employ a Can-Quit Attitude." *The Seattle Times*, May 8, 2005. http://seattletimes.nwsourc.com/html/business/technology/2002267133_jobperks08.html.
- Kreisman, Barbara J. "Insights Into Employee Motivation, Commitment, and Retention." PhD research/white paper for Insights Denver, February 2002, Downloadable at <http://www.insightsna.com/retention/retention.htm>.
- Messmer, Max. *Motivating Employees for Dummies*. Indianapolis: Wiley, 2001.
- Minton, Michele. "Is Your Organization Ready for E-Learning?" *Communication Project Magazine* 3 (Summer 2000), no. 1. <http://www.comproj.com/Minton.htm>
- Mohaptra, Dilip. "Kicking Retention Strategies Into High Gear." Tata Consultancy Services, n.d. [copyright 2005]. http://www.tcs.com/0_features/articles/kicking_retention_strategies.htm.
- Pennington, Randy. "Randy Pennington's 2004 Workplace Forecasts – Update." *Positive Performance* [Pennington Performance Group newsletter], July 6, 200[4]. <http://www.positiveperformancemanagement.com/newsletter/internal2.aspx?articleID=1959&&sid=19867>.
- Tait, Steve. "Steve Tait: President, RSM McGladrey [Business Services]." Interview by Melissa Klein Aguilar. *WebCPA 2005*. <http://www.webcpa.com>.
- Training4Business. "Employee Performance and Retention Improved Through Online Training." News release, February 9, 2005. <http://www.training4business.com/press-release-20050209.htm>.