

AN EASY EMPLOYEE RETENTION TOOL THAT WORKS

The world is in a talent shortage mode. Just a few short years ago we were experiencing massive layoffs and there were thousands of former employees desperate for work of any kind. Today, we are desperately searching for employees, particularly highly skilled. And, we know that our lack of employees will only increase. We are even more concerned that our current excellent employees will leave and join a competitor, which could be traumatic. What can be done?

The U.S. talent shortage is running at 47%, and is continuing to increase around 2% per year. This means that currently, companies are 47% less productive, less profitable and more at risk financially. Even worse, if we cannot retain our skilled employees these numbers will accelerate.

Employee retention is a hot topic today. Employers are concerned about talent shortages and the potential for disaster if valuable current employees terminate. Fortunately, there are solutions to retaining employees.



One solution to retention is increase salaries of current, well-performing employees. Another solution is to train employees so that they have the needed skills desperately needed. Increasing salaries is quick, but tends to start multiplying as other competitors also increase salaries. Training is less costly, provides opportunities for current employees who will appreciate the probability of promotions and salary increases. And, it gives employers a chance to be "heroes" to current employees. Obviously, we should focus on training. But, what kind of training is best, and can we do something more than classroom training, which often trends towards boredom?

The aim of training and development is a "transfer of learning" from the training provider. As long as the transfer is effective, it doesn't matter if the training is classroom, internal, external, or online. Currently, most companies spend over 60% of their budgets on internal training costs and 40% on external training, so the costs of training are similar, and both are expensive, and costs will likely increase if the talent shortages continues.

Surprisingly, on-the-job-training is the most effective training program and the least costly. Employees feel more comfortable in their environments, are familiar with training tools and often compete with their fellow co-workers.

Even better news about on-the-job-training is the availability of different ways to train others. It's not all classroom training and is acceptable to both employees and management. Here are some examples:

- **Mentoring:** This is a win-win for the mentor, employee being mentored and the employer. It's a powerful form of training in which experience, skills and wisdom is shared with employees.
- **Periodic In-House Training** by either internal or external experts: These are very good for groups or teams so that several employees can be taught at one time.
- **Employees who attend External Training** workshops, seminars or conferences must train their team mates and other employees. This stretches the training budget and develops the skills of the employee who attended the training by practicing and sharing ideas and making a presentation.
- **A Promotion**, when combined with mentoring or coaching. This is a sink or swim opportunity in which employees are stretched and developed, and rewarded. Most employees will make every effort to be successful.
- **Employee Transfer** to another job or location. This provides excellent experience and training, as well as expands the trainee's social contacts with other employees.
- **Lateral Move:** This is a great opportunity for training and gaining new responsibilities. Many companies routinely move their high potential employees laterally.
- **Coaching:** Perfect for employees who want to move into management.
- **Job Shadowing:** seldom used but a great idea for brief training stints and is similar to internships. This allows employees interested in other jobs the ability to absorb new information and determine if the new position is right for them.

The varied on-the-job training programs are popular with employees who can easily see that their employer is being supportive, caring and interested in helping them move forward.

And, employers save money with on-the-job training programs; they are more appreciated by their employees and they realize increased positive relationships between management and employees.

Both employers and employees see significant positive changes in work and productivity when on-the-job training is utilized:

- Current employees get the opportunity to learn more and move forward. They often replace job vacancies and close "skills gaps," which translates into overall improved company performance.
- High potential employees begin training that will enable them to move into management or leadership opportunities, thus increasing the possibilities for company success.
- Employees who receive training are more engaged, more participative, more productive and much more likely to remain with their current employer.

Today's employers are currently challenged with maintaining and improving employee retention. And, most employers understand that employees who are given opportunities to update their skills are more inclined to stay with their current employer. Also, even when employees attempt to learn new job skills and fail, they will still be appreciative and look forward to the next opportunity to learn new skills in another position with their company.

Talent shortages are negative overall, but in the case of improved employee training and development, positive results in retention help heal the effects of talent shortages and should be considered.

