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Kessel, Joseph L. ***Evaluation of Individual Training as a Means of Increasing Employee Retention***

Abstract

The negative effects of a high rate of employee attrition include increased recruiting costs, increased employee training costs, reduced production as well as potential reduction of innovation, organizational growth, and long-term succession planning. Conversely, high rates of employee satisfaction increase organizational profitably, productivity, employee loyalty and retention rates. Employees who have access to professional development programs that include traditional and non-traditional education opportunities increase their workplace satisfaction ratings and organizational loyalty. By offering non-traditional education opportunities that allow employees to pursue education of a personal interest, such as industry certifications, Massive Open Online Courses (MOOCs), and non-degree related college courses employers can potentially increase retention rates, reduce overall operating costs, and increase profitability.

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Chapter I: Introduction

Company XYZ is a third-generation family-owned corporation specializing in providing physical security and electronic monitoring services to commercial entities throughout the state of Minnesota. The company was created at the end of World War II and is currently owned and operated by the grandchildren of the founder. The organization hit its highest level of market share and revenues under the leadership of the son of the founder in the early 2000s but has experienced a significant retraction of operational capabilities under the current leadership.

Employee retention has a significant role to play in the loss of organizational success and the senior leadership of the company. The company leadership team once consisted of 10 employees with at least 10 or more years of service with the organization but has been reduced to just three members that currently have ten or more years of experience Within the rank-and-file positions of the company workforce, it is common to have up to 10% of all staffing positions vacant at any given time. While the company has approximately 200 full-time and part-time positions, job vacancies regularly exceed 20 specific staffing positions.

Due to the rate of turnover at all levels of the organization, and particularly within the senior leadership, Company XYZ was spending an increasing amount of their time and money on recruiting efforts and initial employee training. The role of the company recruiter, which had been a part-time position, was increased to full-time and they were given an assistant in order to address staffing needs. Employee on-boarding and initial training increased from twice a month to once a week in order to keep up with recruiting demands. Other training aimed at employee and manger development was rescheduled or canceled in order to accommodate the increase in on-boarding classes. At the same time, the company was experiencing a reduction in productivity due to operating below full staffing requirements and a decrease in customer satisfaction as a

result of having a minimally trained staff being overseen by an inexperienced leadership. The increased costs associated with the additional recruiting of staff and the lack of employees in both line positions and senior leadership roles, had a compounding effect that resulted in less innovation within the organization. Plans for technological advancements such as online scheduling, web-based security report filing, and remote meetings for staff were delayed because of a lack of cash fluidity and/or properly trained people to implement and oversee the changes. The delays in implementing new technologies created a limitation on the potential for growth within the market because outdated technologies and services were unable to compete with modern technologies being used by competitors. Additionally, the lack of consistent experienced leadership resulted in a reduced ability to develop and maintain succession planning to ensure the future sustainment and prosperity of the organization. Near-term and far-term planning covering the three-to-five-year development plans were rewritten several times in order to account for the delays in the implementation of technologies and web-based services.

During employee exit interviews, employees cited the organization's commitment to employee development and specifically cited a lack of potential professional growth opportunities as a primary reason for leaving the company. The company's failure to implement current technology and a lack of proper staffing were also noted as direct reasons employees were leaving. Despite the direct feedback from employees regarding a lack of potential growth and development opportunities within the organization, and citing the lack of an official study proving the program would be cost effective, the Company XYZ rejected a proposal from the company Training Coordinator to create an individual based training program that would allow employees to pursue professional training that interested them personally as a means of incentivizing current employees and reducing overall attrition rates.

This paper will attempt to identify if employees support the idea of using personal professional training, that is of personal interest to the individual employees, as a means of increasing employee workplace satisfaction and reducing organizational attrition.

Statement of the Problem

High rates of employee turnover as a direct result of workplace dissatisfaction were having a significant financial impact on Company XYZ through increased recruiting costs, continued new employee training, and reduced production rates as a result of a lack of experienced employees throughout the system. Additionally, employee turnover resulted in a reduction of potential innovation, organizational growth, and long-term succession planning.

Purpose of the Study

The purpose of this study is to identify if the employees of Company XYZ would support the creation of a workplace program designed to let them seek out individual professional training, of a personal interest, as a means of increasing productivity and higher employee retention rates.

The objective of this study is to:

1. Establish a baseline employee satisfaction rating in order to determine general job satisfaction within the organization.
2. Determine the level of employee support for a program offering individualized training opportunities.
3. Determine the level of employee support for individualized training as a means of improving employee workplace satisfaction.

Data related to the objectives of this study can be collected using a survey presented to current and former employees of XYC Company. The timeline for this data collection should take no more than 10-14 days from the beginning of the research period.

Assumptions of the Study

In regard to this study, the following assumptions exist. Because people learn better when they are engaging in training that they personally find interesting (Loewenstein, 1994), by implementing a workplace program designed to increase employee personal professional development Company XYZ can increase overall worker satisfaction. This increased worker satisfaction in turn will increase organizational profitably through increased productivity, higher employee loyalty and higher employee retention rates. Additionally, it is assumed, the employees that are retained will have an increased knowledge base, be more prepared for a rapidly changing business climate and be better trained and more capable to take on new tasks associated with emerging technologies and technological innovations.

Definition of Terms

The following terms have been defined due to possibly being unfamiliar to some readers.

Massive Open Online Courses

Massive Open Online Courses (MOOCs) are free or low cost online courses offered by colleges and universities around the world that are available for anyone to enroll in. MOOCs provide an affordable and flexible way for individuals to learn new skills, advance in their career, and deliver quality educational experiences without the need to enroll in full college courses or degrees.

Limitations of the Study

The limitations to this study were as follows:

- Variables such as age or changes in state or national unemployment rates affect employee turnover rates and data collected may be skewed because of this.
- Current employees may be less than willing to share their true opinions out of fear of reprisal. Former employees may provide false information based on negative feelings towards their former employer.
- Company XYZ does not track reasons for individual employee attrition.
- This study may not be generalizable to companies or organizations other than Company XYZ.

Methodology

This study will be collecting qualitative data through individual interviews with project participants. The participants will be current and former XYZ Company employees from multiple departments and operational levels of the organization. Demographic information will be gathered prior to participation in focus group discussions. Interviews will be thirty-minutes in length and consist of members of varying departments and operational levels of the organization. No identifying demographic information will be used in conjunction with the general data gathering. All research data will be summarized and presented independent of potentially identifiable demographic information. All potentially identifiable demographic information will be kept electronically on a secured computer within a locked location and destroyed upon completion of the semester in which it is collected.

Chapter II: Literature Review

High rates of employee turnover as a direct result of workplace dissatisfaction were having a significant financial impact on Company XYZ through increased recruiting costs, continued new employee training, and reduced production rates as a result of a lack of experienced employees throughout the system. Additionally, employee turnover resulted in a reduction of potential innovation, organizational growth, and long-term succession planning.

Retention and Attrition as a Factor in Company Operations

Employee attrition is a significant problem for companies in all industries and sectors due to the financial burdens it creates for the organization (Surji, 2013). Additionally, employee attrition leads to reduced productivity and lower worker morale which if left unaddressed can lead to even more employee attrition (Henricks, 2006). Personal professional development is one of the most cost-effective methods of creating employee satisfaction in the workplace (Panopto, 2022). With that thought in mind, it would be in the best interest of employers that want to stay competitive in today's markets to create a path for employees that allows them to engage in opportunities that can effectively upskill them and improve their overall competencies. In turn, employees want programs and opportunities that directly expose them to learning paths that result in better advancement opportunities and increased potential for higher incomes as a result of the overall organizational profitability (Truitt, 2011).

The largest professional services network in the world conducted a survey that revealed that only 49% of employees are satisfied with their jobs (Deloitte Insights, 2019). The report goes on to state the effects of low job satisfaction can impact an organization in many ways beyond simple employee turnover. If not addressed, job dissatisfaction can lead to reduced

productivity, reduced workplace loyalty, conflict within the organization and ultimately employee turnover (Henricks, 2006).

Employment industry professionals estimate that when factoring in the costs of job postings, screening resumes, interviewing, onboarding, and employee training, it costs the average company in the United States approximately $4,000 to hire a new employee (Sandage, 2021). Other industry professionals state that in the year 2018, companies in the United States experienced an employee turnover rate of 22% on average. In that same year, 15% of overall attrition was attributed to voluntary turnover. Seeking better job opportunities was cited as the reason for leaving 81% of the time (Catalyst, 2019). All this turnover is expensive and time consuming for organizations to deal with. Conversely, the 2020 Global Talent Report from LinkedIn states there is a 53% lower amongst employees in companies that have a high ranking in the area of training (Fellay, 2021).

Effects of Training on Potential Employee Loyalty

Simple observation demonstrates one of the keyways to ensure organizational success is to ensure the organization has the best people possible at every level of the operation (Ardiphine, 2015). An effective way to ensure the best people are in place is to first hire the correct people, but then to also ensure those people are retained as employees. Simply retaining employees is not enough though, in order to remain competitive in an ever-changing world. Employees need to continuously develop and improve not only as professionals but as individuals as well (Hayton, 2003).

Early pioneer in psychology (Maslow, 1943) suggested that employees have a natural desire to pursue personal and professional growth as a means of achieving higher levels of social and moral security ultimately reaching the point of self-actualization. More recent research

demonstrates that employees seeking to enhance their skills in order to increase their earning potential tend to have a higher loyalty to the organization and higher retention rates (Delaney & Huselid, 1996; Payne & Huffman, 2005).

Effects of Training on Attrition on Organizational Growth

Multiple studies have suggested that voluntary employee attrition can cost an organization anywhere from 150% (Ramlall, 2003) to 250% (Henricks, 2006) of the employee's annual salary to replace them. While this expense includes all the recruitment and training costs associated with hiring a new employee, it does not factor in the negative public perception of the company, the reduced employee morale and productivity, or other factors associated with high employee attrition that can have secondary economic impacts (O'Connell & Kung, 2007).

Additionally, highly skilled and special-talent employees are even more difficult to replace and often leave a significant experience gap when they do leave. The financial impacts and loss of experienced workers creates a compounding effect that limits the potential for organizational growth (Boushey & Glynn, 2012). This is particularly true for companies working in industries where intellectual capital is often the primary form of competitive advantage (Hayton, 2003). The need to retain key employees is even more critical when dealing with small companies. Because small companies don't usually offer salaries, benefits, or career advancement opportunities that exist in larger organizations, losing even one key employee can have significant long-term effects on potential organizational growth (Ardiphine, 2015).

In 2017, Deloitte and The Manufacturing Institute released a report which indicated a widening gap between the number of jobs that need to be filled and the number of available people with necessary skills capable of filling them (Deloitte and The Manufacturing Institute, 2018). The report also stated an estimated 2.4 million positions will remain unfilled between

2018 and 2028 due to a lack of skilled workers available to fill the positions. The study went on to state, the lack of skilled employees in the marketplace may result in potential economic impact of 2.5 trillion during that same period.

Organizational Change as a Component of Creating a Positive Workplace Culture

According to the open-systems theory, organizations, just like all living things, tend to want to stay in a homeostatic condition wherein they are continuously trying to maintain a stable state of existence (Bastedo, 2004). The theory helps explain why organizations often require external stimulus in order to initiate change and why that change will often be resisted even though it may be necessary. Organizational change generally occurs at three distinct levels of the organization: change within individuals, change in organizational structures, and change in organizational climate (Goodstein & Burke, 1991). Because the patterns of resistance to the change are different for each of the three different levels, the change strategies and techniques used to address them are also different. The change levels involve: 1) changing the skills, attitudes, values, and behavior of the individuals within the organization; 2) changing organizational structures such as those relating to reward and incentive systems, reporting relationships amongst employees or departments, work processes, and so on; 3) changing the organizational culture and climate in areas such as how conflict is managed and mitigated, the decision making process, how open people are with each other, and so on (Goodstein & Burke, 1991).

The Process of Organizational Change

Manzoni et al. (2018) stated that organizational transformation is a journey rather than a singular event and the process of transformation is designed to achieve high impact at both individual and organizational levels. During the implementation of organizational change, there

will always be individuals that can be identified as early adopters, which are typically people who get excited about change (Chesbrough & Crowther, 2006). In order to effectively create this change, organizational leadership will want to identify employees that are open to change and utilize those employees as ad hoc ambassadors of the change initiative. By accessing the energy and enthusiasm of the early adopters, leadership will be able to build excitement and momentum to help others see the benefits of the changes being implemented through the organization which will in turn help them embrace the change and let go of the past (Brint et al., 2011).

Change cannot come solely from the reliance on early adopters acting as ambassadors though. In order to effect real change within the corporate culture, change will have to take place on multiple levels using multiple methodologies such as changing the organizational structures or systems themselves.

Kurt Lewin, an early pioneer in the field of the social psychology of organizations, proposed a model for organizational change consisting of three steps: unfreezing, changing and refreezing (Lewin, 1947). According to Lewin, the process of change requires management creating the perception that a change is needed, organizational members moving toward the new desired level of behavior, and finally, management and staff solidifying that behavior as the new norm. In order for these changes to occur it will require leaders to be created through proper training and then for those leaders to in turn function successfully as leaders at all levels of the organization. This process can be achieved using mentoring, coaching and career counseling practices.

The Use of Personal Training to Increase Employee Morale and Job Satisfaction

One of the most cost-effective methods of implementing organizational change, while at the same time increasing employee workplace satisfaction, is through the use of personal

professional development (Panopto, 2022). In order to stay competitive in today's marketplace, companies need to create career path opportunities for employees that allows them to engage in activities that upskill them and improve their overall competencies. Conversely, employees that receive these opportunities will be more loyal to the organization resulting in lower attrition which results in overall organizational profitability (Samuel & Chipunza, 2009). Three specific methods that can be used to implement personal professional development in an organization is through the use of mentoring, coaching, and career counseling.

Mentoring can be defined as an at-will, reciprocal and collaborative relationship most often occurring between a senior and junior employee that exists for the purpose of the harboring growth, learning, and career development towards the mentee (Association for Talent Development, 2022a). The mentor and mentee often work in the same organization and share a relationship which emphasizes advice on professional development, work-life balance, organizational and career goals. Leadership in organizations all across the globe are coming to realizing that mentoring not only improves employee performance, but when applied correctly, can also facilitate personal and professional development as well as creating and fostering a commitment to motivation and personal and professional excellence (Hollywood et al., 2016). The commitment to motivation and personal/professional excellence that is achieved through mentoring is the foundation for creating the transformational culture needed in order to compete in an ever-changing world.

Coaching is similar to mentoring but where mentoring is about focusing on achieving career goals and long-term development of the individual; coaching utilizes a systematic process designed to improve another's ability to set goals, take action, and maximize individual strengths (Association for Talent Development, 2022b). Another distinction between coaching and

mentoring is that a coach's job is to narrowly focus on developing specific skills within an individual in order for that person to have the tools necessary to empower themselves to achieve specific goals and results. Coaching is an invaluable tool and necessary aspect of creating organizational change as it can be used to motivate employees while teaching them specific problem-solving skills that will support the overall change effort (Hollywood et al., 2016).

Career counseling is different from mentoring and coaching in that it focuses on addressing the individual's personal attitudes and relationship with work as a means of empowering that person to engage in personal growth on an emotional and mental level as well as professional (McGuire, 2014). Career counseling establishes open and honest communication between employer and employee and is intended to create a welcoming environment where employees are encouraged to learn from their mistakes rather than see them as cause for punishment and reprisal. Career counseling is an ingrained function within a transformational culture that identifies employees as necessary assets rather than commodities to be used by the organization.

Chapter III: Methodology

Through the use of exit interviews, Company XYZ identified the fact that high rates of employee turnover resulted from workplace dissatisfaction. The high rates of attrition at all levels of the organization were having a negative financial impact on the company through increased recruiting costs, continued new employee training, and reduced production rates because of a lack of experienced employees throughout the system. Additionally, the company faced increased costs as a result of extending the role of recruiter from part-time to full-time employment and hiring additional personnel to assist the full-time recruiter. The company Training Coordinator recommended creating a Professional Development Program that would allow employees to pursue professional training in both traditional and non-traditional formats that was of an interest to them personally as a means of incentivizing current employee retention and reducing overall attrition rates. The leadership of Company XYZ would only consider a Professional Development Program after a study was conducted to establish whether the program could be cost effective. The research was conducted after receiving permission from management of Company XYZ, and the letter of permission can be found in Appendix A.

Subject Selection and Description

The subjects for this study were a group of current and former employees at Company XYZ. The group consisted of employees at all levels of the organization below the C-Suite. The group was comprised of employees with less than one year of service to employees with over two-decades of service. The group was comprised of both male and female employees ranging in age from early twenties to their sixties. Education levels for the employees ranged from high school graduate to doctoral degree.

Instrumentation

A survey to establish employee interest in individualized training as a means of increasing employee retention was developed (see Appendix B). The survey, along with retention data spanning a five-year period, and individual interviews of those responding to the survey provided information to support the elements of the study. The surveys determined overall employee workplace satisfaction, the employee's level of support for educational opportunities in the workplace, and identified the degree to which employees would remain at an employer that provides personal professional development that is of an interest to the employee but may not be specifically job related.

Retention data identifying the number of employees in every sector and level of the organization with over one year of employment was used to establish a baseline of attrition within the company over a five-year period. The demographic information that was collected included the age, gender, and years of service of employees that had remained with the organization for over a year. The same metrics were used to identify employees that left Company XYZ over the last five years. By surveying current and former employees on whether individualized training opportunities would increase their likelihood of remaining with Company XYZ a comparison can be created to identify potential increases in retention based on age, gender, and years of service of the individuals being surveyed.

Data Collection Procedures

The data for this study was collected through the use of information obtained from the Human Resource Department at Company XYZ, individual surveys, and individual employee interviews. Individual consent forms were received from all participants prior to data collection. (see Appendix C).

Data Analysis

The primary use of data was to determine if employees felt attrition would be reduced due to the availability of a training program that allowed them to pursue training that was of an interest to them personally. A baseline attrition rate was created using historic data from the Human Resources Department, and a projected estimate of future attrition rates was calculated using survey responses. Individual interviews after the completion of the survey suggested overall employee support for the individualized training program.

Limitations

The limitations to this study were as follows:

- Variables such as age or changes in state or national unemployment rates affect employee turnover rates and, as a result data collected may be skewed.
- Current employees may be less than willing to share their true opinions out of fear of retaliation. Former employees may provide false information based on negative feelings towards their former employer.
- Company XYZ does not track reasons for individual employee attrition.
- This study may not be generalizable to companies or organizations other than Company XYZ.

Summary

Data was gathered from current and former employees of Company XYZ using personal interviews and survey. Other data sources included historic employment records spanning a five-year period provided by the Company XYZ Human Resource Department. Additionally, the Company XYZ Human Resource Department provided summaries of reasons for leaving the company taken from employee exit interviews during the same five-year period.

Chapter IV: Results

This chapter discusses the data analysis and findings from the surveys completed by the participants of this research study along with the retention and attrition data provided by the Human Resource Department of Company XYZ. Retention data for this study covered a five-year period starting in January 2016 and running through December 2020. The data accounts for the total number of employees hired each month of the reporting period as well as the total number of employees that left the company during the same time. By analyzing the total number of employees that started and left Company XYZ, a monthly attrition rate was established. By analyzing the total number of new employees relative to the total number of employees leaving the company over the course of a year, an annual attrition rate was established. The monthly and annual attrition rates were used to create a base line rate that potential increases in retention will be measured against. By analyzing the participant surveys and calculating the percentage of participants confirming that an increase in personal professional development opportunities at Company XYZ would decrease their likelihood of seeking other employment, a potential decrease in overall attrition rates can be identified.

Demographic

The participants of this study consisted of 58% former employees and 42% current employees. Participants were from the general staffing level, the supervisory, and managerial levels of the company. The breakdown of participants in relation to their level of responsibility is 33% managers, 25% supervisors, and 41% general staff employees. The group is split by gender at 58% male and 41% female. The age range for the participants varies from 8% of the individuals falling within the 18-29 old range on the low end of representation, to the 40–49-year-old range and the 50–59-year-old range both representing 25% of the group on the high end

of representation. The 30–39-year-old range and 60-69 year old range both held a 16% representation within the group. There were no participants of the sample group below the age of 18 or over the age of 69. The education levels of the group members ranged from high school graduate to doctorate. Of the members of the group, 25% had a bachelor's degree, 16% of the group had a high school diploma, an associate degree, or a doctorate, while only 8% of the group held a master's degree. The representation of gender, age, education level, and level of work-related responsibility was spread across both current and former employee groups with no discernible identifiable pattern between them.

Item Analysis

Data for this study was collected using attrition and retention records provided by the Human Resource Department of Company XYZ and through the use of the survey answers submitted by the participants of the study.

Attrition and Retention

Employment data for Company XYZ was compiled for the period of January 2016 – December 2020 and analyzed to identify potential reoccurring cycles of attrition. The data did not show any predictable or reoccurring pattern of attrition over the time period covered that could be labeled as cyclic or seasonal in nature. Additionally, the data shows that Company XYZ met its fulltime staffing goals of 200 employees less than 7% of the time during the period covered and operated at below 95% staffing 55% of the time during the same period.

Table 1 shows the monthly attrition rates for Company XYZ for the calendar year 2016. From January through December of 2016 the company, on average, had 93% of available positions filled, lost 85 employees, and hired 83 employees. By taking the number of employees at the beginning of the year along with the total number of employees hired throughout the year,

an attrition ration can be calculated by identifying the number of employees remaining at the end of the year. This process accounts for the total number of employees that have processed through the organization resulting in a more accurate representation of attrition than just calculating the difference between the starting and finishing totals of employees for the period being reviewed. The company had a 45.95% attrition rate for the period with the highest monthly rate of attrition occurring during the month of September, when 14 employees left the company resulting in a 7.65% attrition rate for the month.

Table 1

2016 Attrition Rates

Monthly Attrition Report - 2016						
Sr. No.	Month	Opening Balance	Employees Joined	Employees Left	Closing Balance	Attrition %
1	January	187	8	13	182	7.14%
2	February	182	5	4	183	2.19%
3	March	183	9	7	185	3.78%
4	April	185	15	6	194	3.09%
5	May	194	4	9	189	4.76%
6	June	189	5	13	181	7.18%
7	July	181	7	4	184	2.17%
8	August	184	6	0	190	0.00%
9	September	190	7	14	183	7.65%
10	October	183	7	1	189	0.53%
11	November	189	8	6	191	3.14%
12	December	191	2	8	185	4.32%
			Joined	Left	Retained	Percentage
			83	85	102	45.95%

Table 2 represents the monthly attrition rates for the 2017 calendar year. During this period, Company XYZ experienced an average rate of attrition at 39% which was the lowest rate of the five-year period covered by this study. During the year of 2017, Company XYZ was on average staffing 96.8% of positions due to the influx of 93 new employees while losing 78 employees during the same period.

Table 2

2017 Attrition Rates

Monthly Attrition Report - 2017						
Sr. No.	Month	Opening Balance	Employees Joined	Employees Left	Closing Balance	Attrition %
1	January	185	7	10	182	5.49%
2	February	182	9	6	185	3.24%
3	March	185	11	4	192	2.08%
4	April	192	8	6	194	3.09%
5	May	194	6	4	196	2.04%
6	June	196	9	5	200	2.50%
7	July	200	2	5	197	2.54%
8	August	197	7	8	196	4.08%
9	September	196	6	8	194	4.12%
10	October	194	10	11	193	5.70%
11	November	193	8	6	195	3.08%
12	December	195	10	5	200	2.50%
			Joined	Left	Retained	Percentage
			93	78	107	39.00%

Table 3 shows the attrition rates for Company XYZ for the year 2018. During this time, 95 new employees entered the company while 101 employees exited the organization. The resulting attrition rate of 52.06% resulted in the company having an average of 98.75% of positions filled overall, the highest rate of the reporting period.

Table 3

2018 Attrition Rates

Monthly Attrition Report - 2018						
Sr. No.	Month	Opening Balance	Employees Joined	Employees Left	Closing Balance	Attrition %
1	January	200	5	6	199	3.02%
2	February	199	7	9	197	4.57%
3	March	197	8	11	194	5.67%
4	April	194	12	8	198	4.04%
5	May	198	7	6	199	3.02%
6	June	199	8	11	196	5.61%
7	July	196	10	8	198	4.04%
8	August	198	10	6	202	2.97%
9	September	202	8	12	198	6.06%
10	October	198	6	8	196	4.08%
11	November	196	9	5	200	2.50%
12	December	200	5	11	194	5.67%
			Joined	Left	Retained	Percentage
			95	101	99	52.06%

Table 4 represents the attrition rates for the calendar year of 2019. Company XYZ experienced an overall attrition rate of 54.35% during 2019 which is the highest rate for the period of this study. During this time frame, 90 employees entered the company while 100 employees decided to leave resulting in an 93.7% of staffing positions being filled on average during the period.

Table 4

2019 Attrition Rates

Monthly Attrition Report - 2019						
Sr. No.	Month	Opening Balance	Employees Joined	Employees Left	Closing Balance	Attrition %
1	January	194	5	9	190	4.74%
2	February	190	5	7	188	3.72%
3	March	188	7	9	186	4.84%
4	April	186	9	11	184	5.98%
5	May	184	7	5	186	2.69%
6	June	186	9	7	188	3.72%
7	July	188	12	7	193	3.63%
8	August	193	8	11	190	5.79%
9	September	190	7	9	188	4.79%
10	October	188	7	11	184	5.98%
11	November	184	9	5	188	2.66%
12	December	188	5	9	184	4.89%
			Joined	Left	Retained	Percentage
			90	100	94	54.35%

Table 5 shows the Company XYZ attrition rates for the calendar year 2020. During this period the company had 63 new employees and lost 86 staff members. This time period also produced the second highest rate of attrition at 53.42% while also having a staffing ratio of 81.3% overall which is the lowest for the time period covered. It should be noted this timeframe includes a period of government enforced regulations in response to the COVID-19 pandemic that may have influenced overall employment. It should also be noted, the total attrition rate during 2020 for Company XYZ is not significantly out of the norm for the period covered for this study so any effect COVID-19 restrictions may have had were most likely minimal.

Table 5

2020 Attrition Rates

Monthly Attrition Report - 2020						
Sr. No.	Month	Opening Balance	Employees Joined	Employees Left	Closing Balance	Attrition %
1	January	184	7	8	183	4.37%
2	February	183	9	5	187	2.67%
3	March	187	3	14	176	7.95%
4	April	176	0	17	159	10.69%
5	May	159	1	9	151	5.96%
6	June	151	5	7	149	4.70%
7	July	149	7	4	152	2.63%
8	August	152	6	3	155	1.94%
9	September	155	6	5	156	3.21%
10	October	156	9	5	160	3.13%
11	November	160	6	3	163	1.84%
12	December	163	4	6	161	3.73%
			Joined	Left	Retained	Percentage
			63	86	98	53.42%

Table 6 shows the Company XYZ annual attrition rates for the five-year period which data was gathered from for use in the study.

Table 6

Annual Attrition Rates

Annual Attrition Report: 2016-2020						
Sr. No.	Month	Opening Balance	Employees Joined	Employees Left	Closing Balance	Attrition %
1	2016	187	83	85	185	45.95%
2	2017	185	93	78	200	39.00%
3	2018	200	95	101	194	52.06%
4	2019	194	90	100	184	54.35%
5	2020	184	63	86	161	53.42%

Research Questions

All study participants were asked a series of three questions with follow-up questions attached to each. Participants were allowed to ask clarifying questions and get definitions to any terms they were not familiar with. Participants were not required to answer any questions they did not feel comfortable with and were allowed to give answers that were as detailed or limited as they chose based on their own level of comfortability.

Research question 1A

Research question 1A asked, “How does Company XYZ encourage professional growth and success at all levels of the organization?” Over 80% of participants mentioned tuition reimbursement as a way in which Company XYZ encourages professional growth but went on to state there is little offered beyond that as a companywide benefit. The requirement for annual certification training on job related skills and cross-training within the organization were also mentioned as ways Company XYZ encourages professional growth and success at all levels of

the organization. Less than 10% of participants stated Company XYZ did not encourage professional growth or that they were not aware of any programs within the company that encouraged growth.

Research Question 1B

Research question 1B asked, “What do you think Company XYZ could do to improve opportunities for professional growth?” Similar to research question 1A, over 80% of participants stated an increase in tuition reimbursements rates were an area where Company XYZ could improve opportunities for growth. Other ways suggested for improvement included partnering with industry certification organizations and 25% of participants mentioned non-traditional education opportunities such as MOOCs and industry certification as being an area where they would prefer to see more educational opportunities.

Research question 2A:

Research question 2A asked, “What, if any, professional development programs do you know of offered by Company XYZ?” Over 80% of managers stated they were aware of additional programs while over 80% of general staff level employees were aware of such opportunities. Employees, both former and current, at the supervisor level were roughly split 50/50 regarding knowledge of additional professional development opportunities being offered by Company XYZ.

Research question 2B:

Research question 2B asked, “What other forms of educational assistance do you think could be beneficial in promoting professional development?” The participants of the study tended to break along age lines rather than any other biometric grouping. More than 60% of employees over 40 years old wanted to see more broad-based learning opportunities focused on

management and leadership skills while 75% of participants below the age of 40 years old wanted to see more skill focused and job-related training opportunities made available. Overall, over 90% of participants wanted to see an increase in the availability of educational opportunities.

Research question 2C:

Research question asked, “How would you use those other forms of educational assistance to improve your current and/or future performance (career path)?” This question had the highest non-response ratio of the survey with 16% of participants choosing to not answer at all. Of the participants who did respond, more than 50% stated they would use the benefits to improve their skills in their existing role and 16% of respondents stated they would use the benefits to pursue employment opportunities outside of their current field.

Research question 3A:

Research question 3A asked, “How do you see education and professional development received from certification organizations such as Society of Human Resource Management (SHRM), Association for Talent Development (ATD), and Project Management Institute (PMI) or through a MOOC impacting employee professional development?” Nearly 80% of participants were not familiar with the term MOOC or the professional development organizations SHRM, ATD, and PMI at the time of their interview. After receiving the definition of MOOC and an explanation of the certification organizations, 100% of the participants in the study stated they have a positive opinion of education and professional development received from such organizations. Over 90% of participants stated educational opportunities from professional development organizations and MOOC platforms should be promoted equally with college-based degree producing programs in the workplace.

Research question 3B:

Question 3B asked, “How could you personally use education and professional development received from certification organizations such as SHRM, ATD, and PMI or through a MOOC to improve your current and/or future performance (career path)?” Over 80% of participants stated professional education and development was necessary for career growth. As with the subset of Question 2, this answer broke along age lines with those over 40 years old preferring management and leadership training opportunities while those under 40 years old stated they prefer skill-based job-related training opportunities. Other biometric groupings did not appear to have any influence on these preferences with both males and females of each group at all employment levels tending to side with the preferred choices of their overall age grouping.

Chapter V: Discussion, Conclusion and Recommendations

The purpose of this study was to identify if the employees of Company XYZ could increase their personal workplace satisfaction using non-traditional personal professional development training and, as an extension of that improved satisfaction, reduce overall organizational attrition.

Discussion (Key Findings)

Employees at all levels of employment, education, and age desire professional development opportunities beyond those offered by traditional college-based degree programs. The preferred method for delivery of these opportunities is not determined by typical biometric measuring points such as age, education, or level of employment. The research suggests an individual's personal preferences for development is the driving force that determines which types of programs in which they choose to participate. Considering professional development is intended to apply to individuals regardless of age, gender, race, or other identifying factors this should not be a surprise.

Conversely, the goal or intended outcome of non-traditional training programs tends to be heavily dependent on the age of the employee with younger employees seeking skill-based, job-related training and older employees seeking knowledge-based training focused on improving leadership and management skills. This may be due to older employees having developed specific job skills over many years while younger employees see management and leadership as something in their future rather than their present. More research needs to be done to identify why these differences exist.

One area that could use more attention from all levels of organizations is the awareness of non-traditional training available to current employees. While there seems to be a near

universal awareness of college degree producing programs, non-traditional training opportunities such a MOOC is widely unknown in the workplace. Similarly, while most employees are aware of professional development organizations such as the SHRM, the ATD, and the PMI, many, if not most, average employees do not know the organization associated with their field of expertise or chosen profession. An increased awareness of these professional development opportunities should be part of modern professional development programs in the workplace.

Conclusions

Companies and organizations within all industries and financial sectors suffer from the financial burdens created by employee attrition. Attrition leads to lower employee morale and reduced productivity, which in turn can lead to even more employee attrition. One of the most cost-effective ways of combating attrition is through the use of personal professional development as part of a coordinated effort to increase employee satisfaction in the workplace.

Another effective way to combat attrition is to ensure the best possible employees are hired at every level of the organization. Once hired, employees need to be developed both professionally and personally. Retraining is not enough; employees need to feel challenged and professional development training is an effective way to meet that need. Employees that are not challenged and developed will seek other employers that are willing to meet those needs.

Voluntary employee attrition is expensive, recruiting efforts and initial training costs often result in anywhere from 150%-250% of an employee's annual salary to replace them; however, the costs do not end at recruiting and training. Negative perception associated with high turnover rates, customer dissatisfaction due to reduced productivity, and low employee moral all have a negative effect on the public perception of an organization with high attrition rate; thus, critical to reduce employee attrition.

People learn better when they are participating in training that they find interesting and beneficial personally and professionally. By creating opportunities for employees to explore non-traditional education, Company XYZ will increase worker satisfaction and decrease overall attrition. These benefits apply universally across the spectrum of employees regardless of age, gender, race, education status or level of employment within the organization.

Recommendations

This study adds to the growing body of research supporting the claim that attrition can be reduced through the implementation of personal professional training that includes non-traditional options such as professional certification organizations and platforms such as a MOOC; hence, Company XYZ should begin the process of implementing an individual personal professional development program. Furthermore, Company XYZ should promote the new personal professional development program equal to the promotion of the current tuition reimbursement program utilized for college-based degree producing programs. Finally, Company XYZ should promote an awareness campaign aimed at increasing employee knowledge of non-traditional professional development opportunities available to them.

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Appendix A

Copy of Project Organization Approval Letter

AUTHORIZATION TO CONDUCT PROJECT RESEARCH

Date: March 11, 2023

To: University of Wisconsin-Stout, Institutional Review Board

The purpose of this letter is to inform you that I give Joseph Kessel permission to conduct the research titled *Improving Employee Retention Through Professional Development Planning* at [redacted]. We have agreed to the following study procedures: Company XYZ will be used in all areas of the study in place of the [redacted] name. I understand that Joseph Kessel will receive consent for all participants. Joseph Kessel has agreed to provide my office a copy of all University of Wisconsin-Stout IRB approved consent documents before he recruits participants on site. Any data collected by Joseph Kessel will be kept confidential and digitally stored in a locked location within his office. Joseph Kessel has agreed to provide to us a copy of the aggregate results from his study and destroy all raw data collected for this study at the completion of the semester it was collected in.

Sincerely,

[redacted]

Josh [redacted]

Director of Operations, Southern Division

Appendix B

Improving Employee Retention Through Non-traditional Professional Development Planning Focus Group Survey

Researcher question to focus group:

- How does Company XYZ encourage professional growth and success at all levels of the organization?
    a. What do you think Company XYZ could do to improve opportunities for professional growth?

Researcher question to focus group:

- What, if any, professional development programs do you know if offered by Company XYZ?
    a. What other forms of educational assistance do you think could be beneficial in promoting professional development?
    b. How would you use those other forms of educational assistance to improve your current and/or future performance (career path)?

Researcher question to focus group:

- How do you see education and professional development received from certification organizations such as SHRM, ATD, and PMI or through a MOOC impacting employee professional development?
    a. How could you personally use education and professional development received from certification organizations such as SHRM, ATD, and PMI or through a MOOC to improve your current and/or future performance (career path)?

Appendix C

Informed Consent for Research Participation

Study Title:	Improving Employee Retention Through Professional Development Planning

Researcher Names	Department	Contact Information
Joseph Kessel	Training and Human Resource Development	kesselj2835@my.uwstout.edu

Faculty Advisor	Department	Contact Information
Dr. Kelly Droege	Training and Human Resource Development	droegek2005@uwstout.edu

Overview of the Research Study

Participation invitation:	You are invited to participate in the research study described below. Your participation is entirely voluntary, and you may stop your participation or withdraw from the study at any time and for any reason. If you choose to not participate or to stop your participation, there will be no negative consequences to you. Your decision to participate or not in this study will not change your relationship with the researchers or the University of Wisconsin-Stout.
Study description:	The aim of this project is to determine if employee retention can potentially be improved through the use of an education-based professional development program. The data collected will be used for a UW-Stout Graduate student Plan-B Paper focusing on Company XYZ.
What you will be asked to do:	Participate in an individual interview to discuss your personal opinions regarding the professional development culture at Company XYZ.
Time commitment:	Participate in one (1) thirty-minute online video interview and then any time necessary to respond to follow-up questions through email, not expected to exceed fifteen-minutes total additional time.
Participation risks:	The researcher(s) do not believe this study will cause you any discomfort or other risk beyond what you would normally experience in your daily life.
What will be done to minimize your participation risks:	All individual interviews will be conducted in accordance with normal company policies regarding appropriate conduct and treatment of others.
Participation benefits:	There are no tangible benefits to participants for participating in the study.

Confidentiality and Data Protection

Who will have access to your data:	Joseph Kessel
Data protection and future use:	Demographic information will be gathered prior to participation in individual interviews. Individual interviews will be conducted with members of varying departments and operational levels of the organization. No identifying demographic information will be used in conjunction with the general data gathering. All research data will be summarized and presented independent of potentially identifiable demographic information. All potentially identifiable demographic information will be kept electronically on a secured computer within a locked location and destroyed upon completion of the semester in which it is collected.

Protection of Human Research Subjects

If you have questions about this study, please contact:	Joseph Kessel kesselj2835@my.uwstout.edu
If you have concerns about this study or your rights as a participant, please contact:	Institutional Review Board Chair University of Wisconsin-Stout Robert S. Swanson Learning Center #207 715-232-4042 irb@uwstout.edu
Your right to withdraw:	Your participation in this study is entirely voluntary. You may choose not to participate or to stop the study or survey without any adverse consequences to you. However, should you choose to participate and later wish to withdraw from the study, there may be no way to identify your data after it has been submitted. If you are participating in an anonymous survey, once you submit your responses, the data cannot be linked to you and cannot be withdrawn.
UW-Stout IRB approval statement:	This study has been reviewed and approved by the University of Wisconsin-Stout's Institutional Review Board (IRB). The IRB has determined that this study meets the ethical obligations for human subjects' research as required by federal law and UW-Stout policies.

Consent Statement

I agree to participate in this study and understand that I may stop my participation or withdraw my consent at any time during active participation.

☒ **YES** ☐ **NO**