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## Training And Worker Retention

These days several companies have concluded that they have to concentrate on worker retention collectively as the foremost essential business objective to keep the company competitive and profitable (Arthur, 2001). There are three main reasons why their staff choose to leave the company: retirement, dismissal or voluntary resignation. Retirement and dismissal are choices created by the structure of management whereas voluntary turnover may be a personal call by the worker (Winterton, 2004).

In this research paper, I will focus on the voluntary separation instead of retirement and dismissal from the company. However, the company creates the departure of a worker with poor performance; a high turnover of talented workers can end in a loss to the company. It is pricey to replace the human capital via recruiting, coaching and training new staff. A worker's departure may poorly influence different colleagues' morale and the company's performance. There are external and internal drivers in relevance to worker retention. For instance, the labor market opportunity and company culture are external factors that can influence employee turnover. From a worker's perspective, they drive for career development, which may be a primary motivational factor to stay with the organization. Although the external factors are beyond the company's control, the company can do some things to boost worker retention in comparison with these internal factors. Effective training is one way to keep talented workers to stay longer in a company. Training, if utilized efficiently, could increase the worker's satisfaction rate and their commitment to the company. These workers will tend to stay longer in the company. Involving the knowledge, skills and abilities, effective training can add value to both a company and the worker. Despite the proven studies, many companies are not willing to provide workers with training; as a result, it can be a costly risk. Equipped with better knowledge and skills because of training, some workers could leave the company and seek better employment opportunities. If training is important to keeping the company competitive and increase profits, why are some companies selecting not to support training initiatives?

Training has often been looked at as a core organizational strategy needed for both worker retention and human capital growth. There are different definitions of human capital, but most agree that human capital refers to the skills, abilities, experiences and knowledge of a worker. It also refers to the intangible resource of abilities, efforts, and time that workers invest in their work.

Now more than ever before, human capital plays an important role in a company's success. More and more companies are becoming more and more aware of the fact that it is extremely important to keep the talented workers in the company. Retention of the workforce is becoming more and more critical for all types of companies. Companies who are successful in retention of their workers, help preserve the knowledge within a company. If a worker leaves the company, a knowledge gap is created. In addition, the company will be facing a tremendous loss including a reduction in the performance of the company if the turnover of the workers is high. This is because it is expensive to replace the workers through recruiting and training.

The value that human capital brings to a company can be evaluated through training. The investments in training and developing workers to do their jobs and beyond are extremely

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important to a company and its success. The benefits of training and worker retention have been well documented. It is proven that training improves worker productivity; training decreases waste, workplace accidents, and worker absenteeism. Companies need to train their workers effectively to ensure their job performance is status quo and in many cases, to improve job performance. The most notable benefit of implementing a training program is that it is seen as an incentive to enhance worker retention and to keep the workers who have that drive and ambition to seek career advancement within their workplace and company. In today's companies, many workers are anxious to learn new things and take on new responsibilities within the company. Implementing training programs can help build the motivation in the worker and help build that commitment and loyalty in the company. Additionally, companies investing in their workers, helping them achieve these career goals, can help build this loyalty and commitment as well.

Now that we know why companies need to train their workers, let's look at the "make-up" of the workers and what their needs are in training and development programs. In 2003, Lynda Gratton and Sumantra Ghoshal concluded that human capital consists of the intellectual, social and emotional capital of the workers within the organization (see figure).

In order to understand human capital in its entirety, it is important to understand each component of the Human Capital Theory. The social exchange theory is defined that social behavior is the result of the exchange process. The purpose of this exchange is to maximize benefits and minimize costs. Worker/Company relationships are made up of a certain amount of give-and-take, but this does not mean that they are equal. The social exchange theory suggest that it is the value of the benefits and costs of each relationship that determines whether we choose to continue the relationship or not.

In employment, the social exchange theory represents as an unwritten set of assumptions and expectations upon which the relationship of the worker and the company are based (Robinson 1996). Robinson also cites that this theory refers to the workers' views of what they owe to the company they work for and what they are owe from the company they work for.

The second component of the Human Capital Theory is the component of Organizational Commitment. This is defined as the predictor of turnover because of the importance placed on worker retention. It is views as the worker's relationship and is a precursor to as if the worker will want to continue working for the company. As a worker's commitment to the company relates to retention, this component is most widely evaluated. The more a worker feels they have access to relevant training, the higher the commitment the worker has. A highly committed worker shows loyalty due to wanting to "stay" with the company longer than other workers who are less committed. These workers tend to work harder to achieve organizational goals. If the worker receives the support from the company, in the form of training, they will trust the company and will be more inclined to reciprocate (Eisenberg and Aselage 2003).

When a company offers training to its workers, it expresses a feeling of concern and care. Training is viewed as an advancement opportunity and the workers perceive this as added value and fosters self-worth. Meanwhile, workers appreciate the skills they bring to the company and what they have acquired through company training initiatives, and need to be aware of the expenses incurred with such training. This will enable the worker to develop a sense of obligation for the company and in return, increase commitment and become less likely to quit.

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The last component of the Human Capital Theory is the emotional component. When this emotional component is non-existent or violated, worker's trust, job satisfaction and intention to stay with the company is decreased. This is what causes workers to leave and seek other opportunities where their emotional needs are met. The following reasons are cited as to how training and the emotional component of workers is related:

- The company does not think of providing any training at all. Some workers do not want training, but most workers feel that training opportunities are beneficial for their growth, personally and professionally. Still, in this day and age, where it has been proven that training is a good thing, some companies view training as high risk and high investment. They do not want to offer training to their workers as they feel they may leave. In smaller companies, the costs can just be too high and they are not willing to invest in training for their workers.
- The company does not provide training as promised. The event of attracting new workers to join the company, they are trained at the very beginning. After a period of time, this training slowly subsides and can become non-existent. Workers may feel that they are being cheated and not valued by the company.
- The company's training programs are not in alignment with the worker's expectations. Workers want to improve their knowledge, skills and abilities after working for a company for some time, however, if the company does not provide training geared toward increasing these skills and abilities, this could create a problem.
- The worker learns the new skills as trained to them, however they do not have the opportunity to use these new skills. Companies are unsure how to measure the worker's performance after training and they do not know how to measure their performance in the new job. Workers may view this training as not adding value as there is no opportunity for them to apply these newly acquired skills.
- Once the worker has been trained, they cannot seem to get the higher salary, even with increased productivity. In most cases, once training is complete and evaluated, it has a perceived goal that the worker's job performance has improved; the worker takes in to account that he/she has become a higher-level worker who will make more of a contribution to the company. They will expect that the company will offer a higher salary. However, if the company and the worker are not on the same page, the worker may take these new skills learned and compensate them accordingly and in turn, leave the company.

In conclusion, there is a direct correlation between training and worker retention. Training programs offer a worker an opportunity to feel valued and strengthen their commitment within the company. Training can be costly, however the cost of missed productivity due to worker absence, the cost of worker turnover and the cost associated with recruiting can be proven to be more expensive than the investment in the worker.

In my current position with Ameristar Casino Resort Spa St. Charles, there is a huge focus placed on training and development of the workforce. However, these training programs only focus on the soft skills of working for the company, programs such as Influential Communications, New Leader Orientation, New Hire Orientation, Change Management, etc. These are programs that are implemented to acclimate new hires and new leaders to the organization and teach them about history of the company and policies and procedures. After 4 classes in this course, I have taken responsibility to lead the charge on team and position specific training in an effort to reduce turnover. Perhaps I can let you know how it goes and

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write a research paper on that.

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