Training and turnover: an investigation into the effects of training on staff turnover

Ross Thorburn explores the relation between staff training and staff turnover.

Have you heard the old joke about training? The Chief Financial Officer asked: ‘What if we invest in training our people and they leave?’ To which the Human Resources manager replied: ‘What if we don’t and they stay?’

Many of us have heard similar arguments against training made by those who hold the purse strings in our organizations. We know training makes sense. But what truth is there to the Chief Financial Officer’s (CFO) argument? It is becoming increasingly common for trainers to be asked to prove their training programs deliver return on investment (ROI) (Virtual Asherage 2013). As the CFO hints in the joke, if employees leave after receiving training, any ROI will be all but impossible. Furthermore, many companies worry that training may encourage employee turnover (Allen 2008). So, what is the reality of training and turnover? And how does this relate to the language teaching industry?

This paper will review relevant literature on the subject of training and turnover and attempt to establish the relationship between the two by examining teacher turnover in a language teaching organization in China and discuss the results and the implications of these.

Turnover and training
A decade ago, the Society for Human Resource Management (SHRM) researched the effectiveness of 36 different initiatives aimed at decreasing staff turnover. They found that the most effective of these involved salaries, health care, schedules and time off. Next most effective (the ninth most effective out of 36 initiatives) was ‘training and development opportunities’ (Heneman & Judge 2006). Other research has shown that employees tend to consider both opportunities for their future development (Allen, Shore & Griffith 2003) and the training they have received in the past (Aguerza & Son 2012) when making decisions about whether to remain with their current employer or to look elsewhere for work.

The workplace has changed a lot in the last decade, with an influx of Generation Y employees (born between 1980 and 1994) into the workplace. Generation Y employees are usually believed to be more motivated by advancement and less motivated by responsibility and compensation compared with their Generation X counterparts (born between 1965 and 1979) (Barford & Lester 2011). Recent research involving over 240,000 participants conducted by Universum, a Swedish consultancy which specializes in brand building and talent acquisition, revealed that 40% of Generation Y respondents list their biggest fear as becoming trapped in a job with no chance for development’ (Dill 2014: 2).

Training and development in the workplace look to be more important than ever before.

The language teaching industry would appear to be no different. In a survey of 105 language teachers working in 91 language teaching organizations, Hockley (2006) found that ‘opportunity for self-development and improvement’ was among six factors most frequently cited by teachers as motivators at work. More recently, ‘growth, training and development’ were among the four most common reasons English teachers in China cited for renewing their annual contracts (Thorburn 2015).

In spite of the evidence above, there is a commonly held conviction that ‘training may make employees more marketable’ and therefore make it easier for them to find work with competitors (Allen 2008: 23). Employees who receive more training are only slightly less likely to resign than those who receive little or no training (Griffeth, Horn & Gaertner 2000) and the relatively low impact of employees’ perceptions of growth opportunities on retention suggests this factor is merely a
‘distal determinant of turnover’ (Allen, Shore & Griffith, 2003: 102). In the language teaching industry, teacher turnover remains one of the biggest and most common challenges facing language teaching organizations (Hockley 2006; Thorburn 2015).

Aim
The aim of this research was to compare the turnover of teachers who took part in training courses with the turnover of teachers who did not, identify factors which influenced retention and compare these with the findings of researchers in other fields. This research was conducted at a privately owned-for-profit language teaching organization with over one hundred schools in China which teaches both adults and young learners.

Method: sampling, procedures and data analysis
To measure staff turnover, the entry and exit dates of 767 expatriate teachers who left the organization between May 2013 and August 2015 were compared. This established the percentage of teachers who stayed with the organization for more than one, two and three years and thus the percentages of teachers who signed second, third and fourth year contracts with the organization. From payroll and recruitment records the average and median ages of teachers in the organization was determined.

A list of 107 staff who studied and self-financed a level 7 (in the UK National Qualifications Framework) post-graduate Diploma in TESOL, organized and run by the organization, was compared with data from payroll to establish the number of years each staff member spent as an employee of the organization after beginning the qualification. This was rounded down to the nearest year, determining the minimum percentage of these teachers that renewed their contract after starting the course.

The same process was carried out for 128 teachers who studied a distance learning course in one of a variety of topics related to either teaching or management. These courses are run entirely online, have up to sixteen participants, last 10 weeks, are not externally accredited, are recommended study pre-Diploma and are financed by the organization (i.e. there is no cost to the teachers). In August 2015, it was possible to determine the percentage of these teachers who signed a second (n=125) or third (n=34) contract, but not fourth year contract, as these courses began running in February 2013, less than four years previously.

In August 2015, 51 teachers (73% response rate) who studied the Diploma in TESOL and 38 teachers (52% response rate) who studied a distance learning course and still worked for the organization, responded to a survey about the courses and how these related to their decisions to renew their contracts. Respondents answered open ended questions regarding their motivations for taking the course and rated factors on a Likert-type scale (1 = strongly disagree to 6 = strongly agree) in response to the question “To what extent do you agree the following influenced your decision to renew your contract(s) after starting the Diploma in TESOL/the distance learning course?” They were also asked their job title when they started the course and their current job title. From payroll records, these teachers’ dates of birth were analyzed to calculate the ratio of Generation Y to Generation X teachers.

Results
89% of teachers who studied the level 7 Diploma in TESOL and 87% of teachers who studied a ten week distance learning course signed a second contract with the organization. 32% of all expatriate teachers signed a second year contract (Figure 1).

![Figure 1: Percentage of teachers who renewed their contracts with the organization](image)

(Diploma in TESOL n=147, Distance Learning Course n=128, All Teachers n=767)

Expatriate teachers in the organization had an average age of 32 and a median age of 28. 83% of these teachers were born post 1980 (Generation Y) and 17% born between 1965 and 1979 (Generation X). The Diploma in TESOL teachers were on average around five years older, although the teachers who studied distance learning courses were found to have the same average age as the expatriate teacher population in this organization (see Figure 2).
The factors most commonly cited by teachers which encouraged them to renew their contracts with the organization were:

- future development
- organizational commitment
- contribution to career advancement
- timing of the qualifications

The majority of respondents reported that reimbursement for the course did not encourage them to renew their contracts.

**Discussion and implications**

There is a strong correlation between teachers who studied training courses and teacher retention (Figure 1). The possible reasons for this will be discussed below along with the staff turnover rates at this organization.

**Future Development**

Teachers’ future development was the most important factor in encouraging teachers to renew their contracts. 67% of the teachers who studied the Diploma in TESOL and 78% of the teachers who studied a distance learning course agreed or strongly agreed that they wanted to continue to work in an organization which provides training opportunities like the course they studied. One respondent commented, “I chose to study the distance learning course primarily because I was interested in taking the Diploma in TESOL at a later stage in my career. I thought the distance learning course would be excellent preparation for the kind of tasks and research I would be expected to undertake on the Diploma in TESOL.” This illustrates the importance of offering qualifications which progress in complexity as opposed to one-off training courses. Half of the teachers surveyed reported they had subsequently studied a second distance learning course.

These results are consistent with Allen, Shore & Griffiths’ (2003) findings that employees’ future development plays an important role in their decisions about turnover and demonstrates the importance of organizations not only offering training and qualifications, but further qualifications that staff can study afterwards.

**Organizational Commitment**

In spite of having to pay for the qualification themselves, 43% of the Diploma in TESOL respondents agreed that they felt loyal to the organization for providing them with development opportunities like this course. This percentage was higher for teachers who studied distance learning courses (63%), suggesting that sponsorship for qualifications may increase employee loyalty.

Researchers have found that investing and contributing to employees’ development should enhance retention (Huselid 1995).

Investment in employees’ development can create feelings of obligation to the organization and its goals which correlates with low turnover (Wayne, Shore & Liden 1997). Just as people are more likely to do a favor for a friend who has helped them in the past, in a work context, employees are more likely to be loyal to an organization which has invested in them and helped them develop (Shore & Wayne 1993).

**Career Advancement**

45% of the teachers who studied the Diploma in TESOL said that their primary motivation for taking the course was career advancement. 61% of these teachers received a promotion between one and five years from their course start date. However, only 49% of the Diploma in TESOL respondents agreed or strongly agreed that the course helped their career progression within the organization. Similarly, 51% of the distance learning course teachers agreed or strongly agreed that the course helped their career progression within the organization. This could be a result of the unrealistic career advancement expectations of Generation Y employees (Tyler 2007), who formed the majority of the respondents. It is commonly believed that younger employees consider advancement opportunities to be more important than older employees (Sehrmann 2004) and Generation Y employees place more importance on personal growth than the Generation X employees. This explains the importance of career advancement in these teachers’ decisions.

**Timing**

64% of teachers who studied the Diploma in TESOL agreed or strongly agreed that the timing of the qualification led to their renewing their contracts. It is logical that employees stayed with the organization while completing the nine month course, especially since their chances of finding a better job would be expected to improve upon finishing the qualification (Allen 2008). Furthermore, it is common for teachers to defer part of
the assessment for this course for up to three years after beginning the qualifications.

However, this does not explain the 87% of expatriate teachers who studied distance learning courses who also renewed their contracts. None of these teachers strongly agreed that timing influenced their decision to renew their contracts. Distance learning courses must be completed within a 10 week period and are therefore less likely to overlap teachers’ contract renewal periods. While the timing of the courses can be considered an important factor, it cannot be considered to be the only or main factor influencing renewal.

Reimbursement
In this study, over 50% of the teachers who studied the Diploma in TESOL were offered some form of reimbursement. The type of reimbursement offered varied from a monthly ‘qualification bonus’ equal to roughly one third of the course cost per year to full reimbursement of the course costs around one year after course completion. Only 28% of the respondents agreed that reimbursement or potential reimbursement for all or part of the course cost encouraged them to renew their contracts.

Allen (2008) suggests that reimbursement of tuition fees for employees who remain with the organization for a specified period of time can help to decrease turnover of qualified employees. Research by SHRM found that this practice was moderately successful in reducing turnover (Heneman & Judge 2006). While it cannot be said that reimbursement is unimportant in encouraging retention in general, in this study it was not a major contributing factor in decreasing turnover. This may reflect the attitudes of Generation Y employees being more motivated by advancement and less motivated by compensation compared with Generation X employees (Barford & Hester 2011).

Turnover Rates
The high proportion of Generation Y employees in the organization (Figure 2) may partially explain the high turnover of expatriate teachers who did not take courses; research shows that younger employees are more likely to leave their organizations compared with older employees (Allen 2008) and Generation Y employees change jobs particularly frequently (Tyler 2007).

It could be argued that the teachers who took part in training did so because they were more serious about their careers as teachers and that these teachers would therefore be less likely to leave the organization to seek employment in other industries. Thus, these teachers might well have stayed anyway, regardless of whether training was available to them or not.

However, 88% of the Diploma in TESOL survey respondents and 89% of the distance learning course respondents either agreed or strongly agreed with at least one of the statements relating to the course having an effect on them renewing their contracts. While it could be argued that some of the trainees may have renewed their contracts regardless of whether these courses were available or not, this cannot be considered true for all.

Conclusions
In this study, there was a strong negative correlation between training and turnover. Teachers who invested their time and sometimes money in taking a qualification were more likely to sign a second contract when compared with the teachers who did not study such a course (Figure 1). There might therefore be a cause and effect relationship between providing training courses and reduced turnover. Almost all the teachers who studied a course agreed or strongly agreed with at least one statement relating to the course encouraging them to renew their contracts.

The variety of factors which respondents agreed to suggest as a combination of factors caused teachers to renew as opposed to a single factor such as career advancement or reimbursement. One respondent commented: ‘I renewed my contract a few months before starting the Diploma [in TESOL] and the prospect of taking the course was the main reason to stay. During the course, my contract renewal was largely due to wanting the finish the course. Since completing the course I have decided to stay because of promotion and further study opportunities (especially management training courses).’ This example reveals the importance of a combination of career advancement, timing and future development in encouraging teachers to renew their contracts.

In this study, reimbursement was found to be considerably less important than future training opportunities, organizational commitment and career growth in the organization. Given the relative unimportance of this factor, organizations may wish to avoid the costly burden of reimbursing employees for courses and instead invest in either providing more qualifications or helping employees to advance within the organization. Both of these factors correlate with staff retention (Barford & Hester 2011; Allen, Shore & Griffith 2003).

While the effects of training in this study strongly correlate to decreased turnover, almost half of the employees who studied a Diploma left the organization within four years of starting the course. Managers (and CFOs) should be concerned that their most highly trained and skilled workers may leave. When it comes to training and turnover, there remains no better advice than what Richard Branson: ‘Train people well enough so they can leave, treat them well enough so they don’t want to’. Following this approach should keep both CFOs and HR managers happy.
References


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