

Want To Retain Employees? Teach Them to Be Leaders

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Business is facing the worst labor shortage in decades, but our company has found a way to boost employee retention and promote career advancement. Our answer: leadership development initiatives.

Years before record numbers of US employees began quitting jobs as part of the Great Resignation, we realized that money alone isn't enough to attract employees and make them want to stay. Employees today want more than a paycheck and a time stamp. They want to feel valued, engaged, and able to learn new skills and take on greater responsibility. What they need is a pathway to become leaders.

Seven years ago, we set up a leadership program at the University of Phoenix that has helped both our organization and our people. Our employee retention rates have risen significantly and we've been able to solve real company problems.

Our leadership initiative programs run for four to six months and bring together 30 to 60 participants. Meetings are twice a week with homework assignments in between. It demands a significant investment of time, both by the participants and by college leaders, who are expected to dive deeply into the program to share their knowledge and experience.

Each program is different, but the core goal is always teaching the skills of problem solving, influencing and connecting with people. Learning networking skills and the ability to present to the C-suite are built into the course.

Key to the course's success is its bottom-up nature. Rather than leaders passing down instructions, the participants are required to identify real problems at the university and present solutions at the end of the course. Graduates are asked to become mentors in the next course. Each course ends with a graduation ceremony where one project is selected and given the funding and leadership support to put it into practice.

One team, for example, identified excess paperwork as a problem in our financial aid application process. The leadership trainees came up with a digital process, including workflow triggers on phones, that resulted in a drastic cut in paper use and faster processing of aid applications.

These successes highlight a key benefit of harnessing the internal knowledge of leadership candidates. Because their everyday work brings them closer to real-world problems, employees are often in the best position to come up with effective solutions. We could have hired an expensive consultancy firm to address the paperwork issue, but third-party firms lack the intimate understanding of an organization that often leads to better, more practical solutions.

Other corporations have had success hiring third-party providers to run leadership training, but our experience is that the overall organization and structure of the course is best done in-house.

Not everyone going through the program ends up moving into a formal leadership role. We find, though, that many of these informal leaders become mentors to their peers. Leading from within becomes inherent in our company culture.

This program also demonstrates that every employee can make a difference, regardless of level or position. Everyone has a voice and has the responsibility to identify areas of opportunity and enact change.

So has it been successful? More than 200 people have gone through the program and 90% are still with the university. More than 20% of those who participated got a promotion or took on a new leadership role.

Many employers might hesitate at the three to five hours per week that we give course participants away from their regular work. But we have found it's a smart investment — employees usually increase productivity and complete job tasks just as well, if not better, during training programs.

Leadership development initiatives create more engaged employees. Still, some companies remain unwilling to put good leadership programs in place. A common reason for hesitancy is the fear that employees will take the skills they've learned and hire on at another employer.

That is a rare occurrence, in our experience. But when it does happen, it's not cause for panic. We find that employees who take their new skills to another employer almost always speak well of us and boost our reputation as a good place to work. We believe it's our job to grow people and make them better than when they arrived.