

The Case for Professional Development

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Work groups in which employees report that their supervisor cares about them as a person, talks to them about their career progress, encourages their development, and provides opportunities to learn and grow have lower turnover, higher sales growth, better productivity, and better customer loyalty.

Harvard Business Review

Professional development matters to employees and drives better business results.



+202%
in Organizational Performance



+34%
in Talent Retention



+15%
in Employee Engagement



+19%
in Willingness to Recommend

Research conducted by numerous organizations, including Gallup, Inc., HBR, SHRM, and many others, have all arrived at the same conclusion: professional development matters to employees and drives better business results.

In other words, structured professional development is good for the employees and is also good for the business.

When implemented effectively, companies see direct improvements in 4 categories of business KPI's as a direct consequence of structured professional development programs:

- Organizational Performance, *continued on page 5*
- Talent Retention, *continued on page 7*
- Employee Engagement, *continued on page 10*
- Willingness to Recommend, *continued on page 12*

This report is compiled data from numerous organizations that specialize in the fields of leadership, talent management, career development, HR, etc. to build a strong business case for structured professional development programs.

Benefit 1

Organizational Performance

Without question, an organization's most valuable assets are its employees. At every level and function of the organization, and within every business process, there's a person/s that makes decisions. These decisions accumulate and ultimately drive the business' performance. The question then is: can an organization improve its performance by developing its workforce?

Research conducted by Dale Carnegie, Association for Talent Development (ATD), and others have shown that companies with structured workforce professional development programs outperform their peers by at up to 2x at business-level indicators (e.g. EPS, income per employee, and profit margin).

The direct impact of structured professional development programs on business performance also suggests that workforce development is an effective strategic pillar in the growth and acceleration of a business. Even during economic downturns.

Outperformance by companies with structured workforce professional development programs versus peer organizations without:

+147%

EPS (*Earnings Per Share*)³

+218%

NIPE (*Net Income Per Employee*)⁶

+202%

Overall Performance

+24%

Profit Margin⁶



Creating more personalized professional development programs that every employee can access, you will empower employees to take charge of their career paths and discover hidden leaders across the organization. And by creating more leaders — at all levels of your business — you'll likely witness vast improvements in productivity and engagement across the board, too.

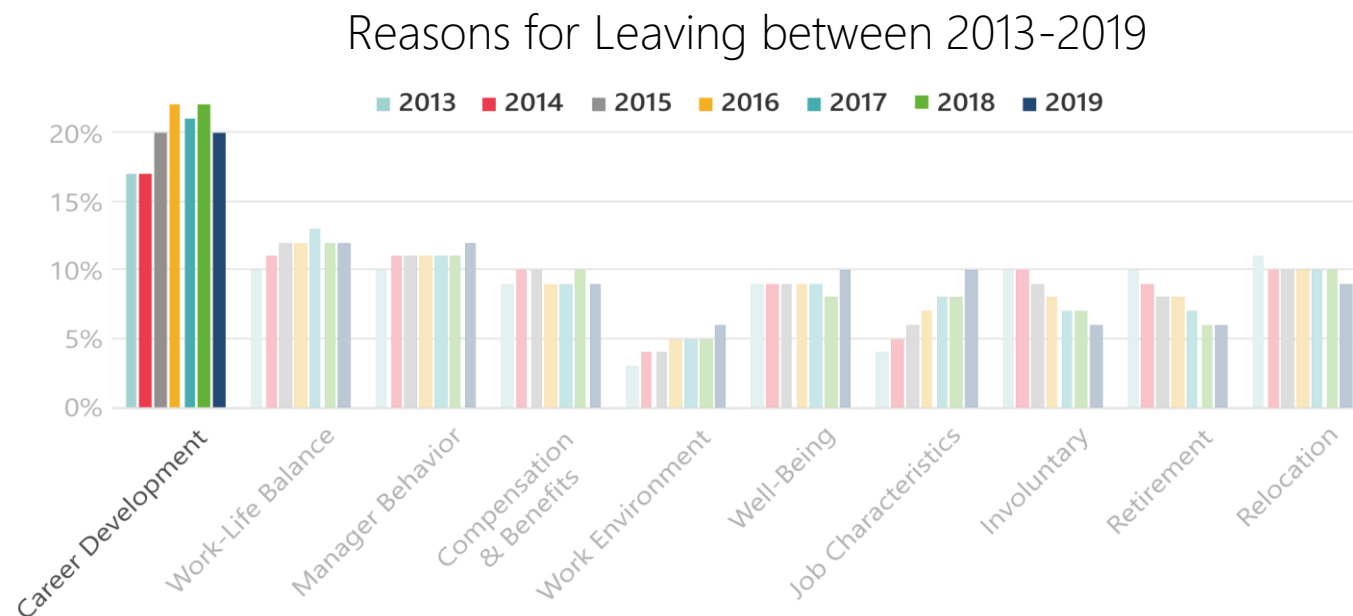
SABA, Talent Management Software Solutions

Benefit 2

Talent Retention

Talent retention and turnover has been cited as the #1 workforce management challenge by 47% of human resources professionals. Especially after considering 6 to 9 months of training and onboarding, employee turnover is an extremely costly problem for organizations; plus the financial and opportunity costs associated with backfilling a role.

Fortunately, the data show that the top reasons for voluntary employee turnover are largely preventable. Work Institute found that the lack of career development accounted for approximately 20% (i.e. 1 of 5) of voluntary turnovers between 2013 to 2019.



8 Turnover Statistics You Should Know:

#1 reason

for voluntary turnover between 2013 to 2019 is due to the lack of career development opportunities.²

~20%

of voluntary turnover between 2013 to 2019 is due to the lack of career development opportunities.²

60%

of professional said they would choose a job with strong professional development opportunities over one with regular pay raises.¹⁰

53%

of professionals reported that having access to learning or professional development opportunities would entice them to stay longer than planned at any given job.¹⁰

87%

of Millennials, which are the largest segment of the workforce, say that professional development and career growth are significant to them.¹⁴

33%

of employees are satisfied with their organization's commitment to professional development.⁹

3 out of 4

employee turnovers are preventable.²

\$15,000

is the baseline cost of each turnover for the median U.S. salary (\$48k) after factoring: cost of replacement, cost of vacancy, and costs due to retraining.²

Benefit 2

Talent Retention (cont.)

Further research conducted by Gallup Research Organization and [placeholder] found that retention and turnover can be directly improved via structured workforce professional development programs:

24 to 59%

reduction in turnover by organizations that encourages employee development, preferably through structural approach.¹

34%

higher retention rates enjoyed by organizations with structured professional development than peer organizations that do not offer similar opportunities.¹⁶


Don't forget your new hires!

***"First Year Turnover is Expensive.** Employees who leave in the first ninety days deliver little-to-no return on the investment made to hire them."*

Work Institute

40% of employees who don't receive the necessary job training to become effective will leave their positions within the first year.¹⁵

Beyond improving voluntary turnover for an organization's workforce, it is also important to consider the impact of integrating a structured professional development within the new employee onboarding process.



There is someone at work who encourages my development. “Development” doesn’t mean “promotion.” A promotion is a one-time event. Development is a process of understanding each person’s unique talents and strengths and finding roles, positions and projects that allow employees to apply them. Great managers coach employees by identifying wins and misses, motivating them to go beyond what they think they can do, connecting them with potential mentors, and holding them accountable for their performance.

Gallup Group

Building a High-Development Culture Through Your Employee Engagement Strategy

Benefit 3

Employee Engagement

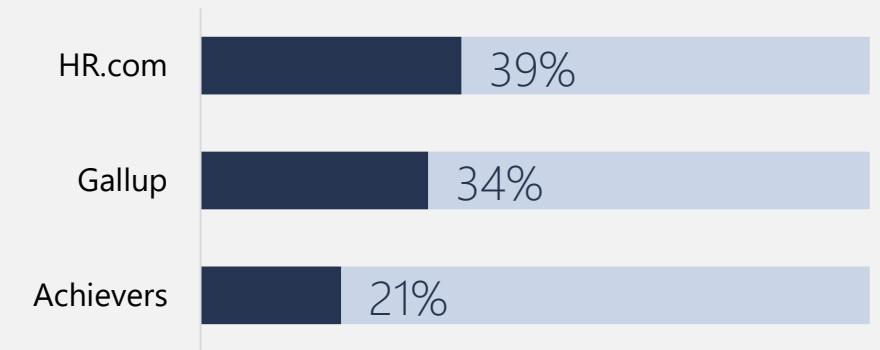
Employee engagement is an important metric for leaders of any organization to monitor and improve, because employee engagement directly affects organizational performance, and serves as a leading indicator for turnover.

Highly engaged employees contribute with greater effectiveness and productivity, boost morale, and are far less likely to leave an organization. Although important, research conducted by HR.com, Gallup, and Achievers found that, on average, 2 out of 3 employees feels disengaged in their current roles!

A survey conducted by Modern Survey on a Fortune 500 company found that leaders directly improve their team's engagement and inclusivity scores by supporting professional development.¹¹ Driven by the statement: *"my immediate manager / supervisor works to ensure I have the development I need to be successful in my job"*, leaders that supported professional development consistently outperformed their business units in engagement and inclusivity scores.

When companies have in place a program that helps the employees develop, they get to enjoy the benefits of higher employee engagement and retention. In those cases, the employees truly feel that they can reach their full potential and achieve their career objectives, and with that help the organization deliver the better business results than their competitors.

Only 1 out of 3 employees feel engaged in their current role and company!^{3,7,8}



So what? Why does my employee engagement score matter?

Highly engaged employees are vital to a strong business. Compared to disengaged employees, highly engaged employees:



Contribute with greater effectiveness.




Work with higher productivity.



Boost morale across the organization.



Are far less likely to turnover.



Professional development is not something I want done to me! I want to take responsibility for creating and executing my professional development plan, and have my manager make sure it is connected to the overall company's success. Also, as I execute my professional development plan, I want access to coaches and mentors (internal and external) so that I can reach my full potential and achieve my career objectives.

A Professional on LinkedIn

Benefit 4

Willingness to Recommend

Lastly, leaders that prioritize their team's professional development directly impact their organization's ability to attract new talent. In 2020, Qualtrics published a study where a medical device company's Willingness to Recommend (WTR) scored increase by 19% within the first year of launching a structured workforce professional development programs.¹²

Although a business may not seek out to improve their WTR score in isolation of other metrics and objectives, committing to employee professional development helps an organization solidify its reputation among the workforce as the best place to work AND the best place to grow. The ability to attract talent through word of mouth then supports further business growth.

This ripple effect of benefits makes structured professional development a critical strategic pillar for leaders that prioritize growing and accelerating a business over the long term.

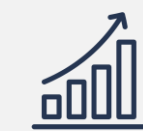
The benefits of structured professional development ripple through a business from A-Z via a set of self-reinforcing events:



Employee Engagement is boosted because management commits to and prioritizes employee professional development and launches a structured professional development program.



Talent Retention is improved because employees feel fulfilled and believe they can reach their full potential in their current roles with their current company and leaders.



Organizational Performance at the business-level improve (e.g. EPS and NIPE), thus accelerating the growth of the business relative to competitors that did not prioritize professional development.



New Talent is Attracted Through Word-of-Mouth in support of growing business because the organization has a new reputation as a great environment to work and to grow.



Be the organization that is not only known as best place to work,
but also best place to develop professionally.

Jasmin NUHIC, Partners in Professional Development

Administering a Workforce Professional Development Program

The 2 Approaches

The data make it clear that many business metrics (i.e. organizational performance, workforce retention, employee engagement, and willingness to recommend) benefit directly from the availability of a professional development program. And the absence of an effective and structured professional development program is one of the highest cited, and most preventable, reasons for voluntary turnover.

Given the data, how should an organization approach the implementation and administering of an effective workforce professional development program? There are 2 common approaches:

- A. The unstructured approach
- B. The systematic approach

	Unstructured Approach	Systematic Approach
<i>Overview</i>	The organization kicks-off the initiative, and asks each manager work through the details on their own. Ad hoc trainings, etc. may be provided as deemed appropriate.	The organization kicks-off the initiative, and combines standardized processes, tools, trainings and workshops, experienced coaches, and is integrated into the organization's business processes
<i>Expected Outcome</i>	Inconsistent results, at best, because most leaders are not equipped with the appropriate know-how for coaching a team of employees. Additionally, most employees do not fully understand the process of growing a career and their responsibility to do so.	The organization can expect consistent progress. Deployment and administration of the professional development program is smooth, and scales up with the organization grows.

The EIDP Framework

The EIDP (EXECUTABLE Individual Development Plan) Framework is one example of a systematic approach toward organizational workplace professional development. This framework is described in detail in the books *It Starts and Ends with EIDP* and *Leaders Develop First*.

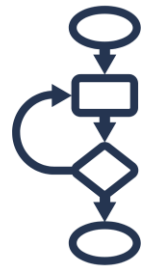
Briefly, the EIDP framework offers a comprehensive method and set of tools for approaching the discipline of professional development:

3 Keys for a Successful Workforce Professional Development Program:

Provide employees with opportunities to grow and learn – **this does not necessarily mean promotions**. Think instead of opportunities to for employees to accumulate new work experiences, develop and improve new skills, or chances for further education via webinars and trainings.

The organization and direct manager encourages and prioritizes the professional development of the workforce, AND the employees believe in that commitment.

Leaders coach their teams and regularly update on progress.



9-step EIDP Process

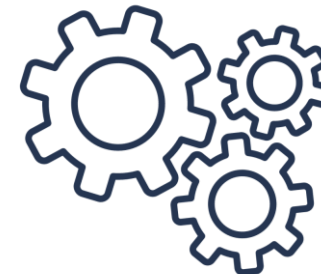
The systematic and standardized 9-step process for creating unique professional development plans (*instead of 1-size-fits-all*) helps organizations save time and provides a common vocabulary for managing progress.



90/10 Responsibility

The EIDP framework approaches professional development with a 90/10 model for responsibility: employee-owned (90%) and organization-supported (10%).

This means managers and leaders take on the roles of coaches, while the employee takes responsibility for the professional development tasks.



70/20/10 Formula

Across all the 9 steps of the process, the EIDP process is intended to be practical for the organization and the employee. This framework employs the 70/20/10 formula towards selecting professional development tasks:

- 70% Work Experiences
- 20% Skills
- 10% Education



Complete Toolset

To ensure success throughout all 9 steps of the EIDP process, there is a full set of tools for the employee and for the coach, including:

- Step-specific agendas for 1:1 meetings
- Framework for constructing a Personal Board of Directors
- Full suite of self-assessment tools
- Research methodology for evaluating potential career paths.
- And many more.



Traditional professional development methods do not work. They are too slow; Too selective; Too limited. Ignore the problem at your own risk.

SABA Software: Talent Management Software Solutions

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Let's work together!

About Us

We are professional development company that uses proven proprietary nine-step process of creating and executing executable professional developments plans, which can be successfully and effectively implemented in organizations that do not have one or organizations that want to enhance one.

Our training programs and coaching services ensure new learning and developments are applied immediately and with that retention, engagement and willingness to recommend are improved.

We deliver sustainable approach to creating effective and structured professional development program in organizations of any size. This inspires us and drives us in our path!

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