TRAINING THROUGHOUT THE EMPLOYEE LIFECYCLE
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Overview

The percentage of the global workforce over age 65 is growing rapidly, leading to their inevitable retirement and a need for effective onboarding, knowledge capture, and knowledge transfer processes. Skills gaps within the current labor pool can make replacing those workers difficult. While the median tenure for workers in the U.S. was 4.6 years in 2012, it was only 3.5 years in the year 2000; this is also reflected in the median age of employees, which was 42.3 years in 2012, whereas it was only 39.4 in 2000. As more of the “baby boom” generation begin to reach retirement age, expert knowledge begins to leave organizations; concurrently, “millennials” under the age of 35 have an average tenure of 2.3 years, making hiring and onboarding efforts more common than they have been in the past. In other words, many organizational sectors are facing the task of capturing knowledge from outgoing employees and transferring that knowledge to new employees, while leveraging pre-employment and onboarding strategies to minimize labor pool gaps and capitalize on identified best practices.

To explore these issues, Training Industry, Inc. and Raytheon Professional Services LLC conducted a study to examine the programs and initiatives that organizations are using to address these escalating issues. In August 2014, 252 companies completed a survey reporting their organizations’ strategies, effectiveness, and best practices for a variety of training initiatives. This research builds upon a 2012 study about onboarding and knowledge transfer conducted by Raytheon Professional Services LLC and Training Industry, Inc.

Key Findings

This report highlights the strategies employed by organizations in various industries related to pre-employment development, onboarding, knowledge capture and knowledge transfer. Findings also illustrate what distinguishes effective organizations at each stage of the employee lifecycle, as well as identifying best practices for training improvements.

Pre-employment

PRE-EMPLOYMENT refers to the process of preparing future employees with information about the relevant competencies and skills required of a specific job or about the practices of the hiring organization.

• 41% of organizations report that the labor pool only somewhat or does not meet their current and future hiring needs and only 11% of organizations report that it does fully

• Almost half (49%) of organizations report that employee retirement is a moderate or great problem

• Organizations who use pre-employment development strategies are 50% more likely to report that the labor pool meets their hiring needs

• The most effective pre-employment development strategies include:
  • Offering internships
  • Providing candidates with information about organizational culture and polices
  • Partnering with academic institutions to develop industry relevant curricula
  • Providing candidates with realistic job previews

**Onboarding**

ONBOARDING refers to the process through which new employees acquire the skills, knowledge and behaviors to become effective contributors to an organization.

• The majority (70%) of organizations are rated effective at onboarding new employees

• The largest onboarding investments are made in entry-level, business-related, and technical skills onboarding

• 84% of organizations using instructor-led training (ILT), meetings, shadowing, and short-form content rate themselves effective at onboarding

• The top four best practices for effective onboarding are:
  • Developing a formal onboarding framework
  • Evaluating effectiveness of programs regularly
  • Ensuring consistency in implementation for ongoing onboarding and training programs
  • Involving leadership before, during and after the onboarding program

**Knowledge Capture & Knowledge Transfer**

KNOWLEDGE TRANSFER refers to the process through which experienced employees share or distribute their knowledge, skills, and behaviors to the employees who replace them.

KNOWLEDGE CAPTURE refers to the process through which an individual's technical knowledge is obtained and recorded such that insights, experiences, social networks and lessons learned can be shared to mitigate organizational knowledge loss.

• 38% of organizations are rated effective at capturing the knowledge of key employees and 48% are rated effective at transferring knowledge
• **Effective knowledge capture programs** are substantially more likely to use knowledge repositories, assessments, online FAQs answered by SMEs, and videos to capture knowledge

• **Best practices for capturing knowledge** include:
  – Conducting interviews
  – Documenting job roles and processes
  – Encouraging mentoring, cross training, knowledge sharing, and social collaboration

• 76% of organizations using work shadowing, paired work and coaching rate themselves effective at knowledge transfer

• **Effective transfer programs** are four times more likely to use the following best practices:
  – Developing a formal knowledge transfer strategy and integrating it into daily operations
  – Constantly monitoring and updating the company knowledge repository

• Effective programs (i.e., onboarding, knowledge capture, and knowledge transfer) are more likely to use all measurement strategies to ensure effectiveness

**Measurement Strategies**

• Organizations that have effective programs across all phases of the employee lifecycle were more likely to use a variety of measurement strategies to ensure effectiveness of training and learning efforts, particularly for onboarding. Effective organizations were especially likely to focus on measurement of on-the-job behaviors and business impact to ensure successful knowledge capture and transfer.
Knowledge Actualization and the Employee Lifecycle

Overview of the Employee Training Lifecycle

The word “training” in organizations is typically interpreted as an event, or a discrete set of materials with an accompanying process that achieves a specific learning goal. What is more accurate, though seldom conceptualized as such, is to consider training as an on-going process that encapsulates a job in its entirety from hire to retire (or fire). As shown above, the impact of training on the employee lifecycle begins when an individual is still an applicant, continues through the onboarding process, and while “in role” involves a constant process of capture and eventually transfer. Further, there is a feedback loop between knowledge transfer and all preceding functions, such that best practices for pre-employment, onboarding, and knowledge capture are all informed by transfer.

Nevertheless, the currency of training, so to speak, across an employee’s tenure with an organization is the job-relevant knowledge, skills and abilities necessary for his or her role. While much of the existing information on training practices focuses on these outcomes, there is often less attention paid to the context of when these outcomes are most desirable in a learning strategy.

There are four interrelated contexts in the employee training lifecycle:

Pre-employment refers to the process of preparing prospective employees in the labor pool with information about the relevant competencies and skills required of a specific job or about the policies and practices of the hiring organization.

Onboarding refers to the process through which new employees acquire the skills, knowledge and behaviors to become effective contributors to an organization.
**Knowledge capture** refers to the process through which an individual's technical knowledge is obtained and recorded such that insights, experiences, social networks and lessons learned can be shared to mitigate organizational knowledge loss.

**Knowledge transfer** refers to the process through which experienced employees share or distribute their knowledge, skills, and behaviors to the employees who replace them.

The prior iteration of this research, “Onboarding and Knowledge Transfer Challenges & Best Practices,” focused on two aspects of this context. In the current study, we sought to expand the considered framework to permit a more nuanced understanding of the impact of organizational practices in these areas.

The primary drivers for this research, however, are need-based. As shown below in Figure 1, when respondents to our survey were asked whether the current labor pool meets the hiring needs of their organizations, **41% did not feel the labor pool adequately meets their staffing requirements**, with **5%** endorsing **not at all**. This suggests pre-employment development is an area where many organizations not already engaging in development practices could potentially invest resources to mitigate talent gaps.

**Figure 1. Labor Pool Effectiveness with Current/Future Hiring Needs**
On the other side of the cycle is the issue of the aging workforce and what is popularly expected to be an exodus of tacit organizational knowledge and industry experience leaving companies as employees reach retirement. Of learning leaders surveyed, 49% stated that employee retirement either is or will be a problem for their organization to a moderate or great extent (see Figure 2).

**Figure 2. Prospective Retirement**

![Bar chart showing employee retirement as a problem](image)

In total, what do the above two figures say about the employee lifecycle? First, the labor pool is a challenge to many organizations’ need to hire employees with the foundational knowledge, skills, and abilities for success on the job. This makes pre-employment development and onboarding especially critical for bridging gaps in qualifications and/or skills. This potential issue with the labor pool is all the more important since retirement is currently or expected to be an issue, and the incoming talent needs to be able to navigate the job tasks of the outgoing retiring employees. For the organization, it means knowledge capture becomes a vital practice in order to have content to transfer to incoming employees, as well as knowledge transfer utilized to guide energy and resources effectively to both onboarding and pre-employment development efforts.
Pre-Employment Development

Although pre-employment is typically less visible as a way to deploy organizational knowledge, it still serves as a differentiator between organizations that are able to manage the employee lifecycle versus those that are ineffective. Organizations are remiss to ignore the impact of pre-employment development, as it can serve to strengthen the quality of applicants when the labor pool does not sufficiently meet the needs of an organization for job-relevant knowledge, skills, and abilities. From the survey results, 41% of organizations report the labor pool meets their hiring needs “somewhat” or “not at all,” which suggests that these organizations could adopt pre-employment development practices as a way to bridge the gap. However, as shown below in Figure 3, the suitability of the labor pool to address current and future hiring needs varies by industry. While it is less of a problem in the non-profit, government, and business service/consulting industries, many sectors are clearly facing a labor pool that may not generate the quality of applicants being sought.

Figure 3. Labor Pool Effectiveness with Current/Future Hiring Needs by Industry
Pre-employment development can be seen as addressing a skills gap between the labor pool and the needs of the organization, as described above. These practices serve not only to bolster the labor pool, but also serve as a type of formal “introduction” between a prospective employee and an organization. Such efforts can take the form of collaboration with educational institutions both to identify talent (internships/scholarships) and influence curricula to ensure new graduates have the foundational knowledge and skills required for success on the job. Pre-employment efforts can also involve structured apprenticeships, realistic job previews, and providing information on organizational culture and policies.

As shown below in Figure 4, there is some comparability between organizational practices for those companies whose labor pool is adequate and those companies whose labor pool is not meeting hiring needs. For instance, many organizations are providing information about culture and policies, providing learning portals, and advising academic institutions on curricula. Still, organizations reporting fewer issues with their labor pool are more likely to offer internships, and are twice as likely to sponsor student projects. Nevertheless, it is telling that 26% of organizations who report issues with the labor pool do not engage in any strategy for pre-employment development.

Figure 4. Use of Pre-Employment Development Strategies
Building upon the use of these development strategies, it is also informative to explore which strategies are seen as most effective by organizations. As shown below in Figure 5, offering internships, providing information about organizational culture and policies, and partnering with academic institutions to develop appropriate curricula were seen as the three most effective methods to getting the most out of a labor pool.

**Figure 5. Impact of Activity on Development of the Labor Pool**

- Offer internships: 72%
- Provide information about organizational culture and policies prior to employee start date: 63%
- Partner with academic institutions to develop industry relevant curricula: 61%
- Provide pre-employment learning portal or information to prospective employees: 57%
- Partner with non-academic institutions to offer relevant pre-employment training: 57%
- Partner with training companies to develop comprehensive apprenticeship training for new...: 57%
- Advise academic institutions on relevant curricula decisions: 55%
- Offer industry fellowships: 47%
- Sponsor/direct relevant student projects: 43%
- Offer scholarships: 36%

*Percentage of respondents offering an opinion who endorsed effective or very effective. N ranges from 100 to 202.*
Best Practices in Pre-Employment Development
Learning leaders were asked to provide a best practice for ensuring pre-employment efforts to maximize the labor pool are effective and aligned with strategic goals. Of the most effective, results showed that realistic job previews, offering mentoring/coaching off-site from the organization, offering structured pre-employment training such as an apprenticeship, and regular evaluation of pre-employment development programs were considered the best routes to closing the gap between the labor pool and required job skills. However, it is clear that there is no single best practice that all organizations endorsed; a combination of these strategies is likely to be most effective for an organization experiencing issues with talent in the labor pool.

Summary
In pre-employment development, effective organizations offer internships, provide information about organizational culture and policies prior to new employees’ start date, and partner with academic institutions to develop industry relevant curricula. These three practices were also identified as having the largest positive impact on labor pool development. In contrast, 26% of ineffective organizations do not engage in any pre-employment practice. Best practices identified by learning leaders included providing realistic job previews, offering mentoring or coaching in the community and at local universities, offering formal pre-employment training such as a certification or apprenticeship program, regularly evaluating development programs, and basing pre-employment programs on a needs assessment or job task analysis. No best practice was overwhelmingly endorsed more than others, so a mixture of practices is likely to be most fruitful to organizations seeking to boost the effectiveness of their pre-employment development efforts.
Onboarding

Onboarding is a crucial process for organizations to educate employees about their business culture and to ensure that they acclimate to their new roles. Employees’ onboarding experiences will shape their perception of the company and their performance expectations, ultimately affecting their decision to stay or to look for employment elsewhere. Without an efficient and appropriate onboarding strategy, organizations could be fueling disengagement and turnover.

As shown below in Figure 6, when learning leaders were asked to rate the effectiveness of their own training organizations at onboarding, 70% said that their organizations were either very effective or somewhat effective. These results align with our previous 2012 finding that 66% of learning leaders rated their organizations as either very effective or somewhat effective at onboarding.

**Figure 6. 2012 vs. 2014: Onboarding Effectiveness**

![Bar chart showing onboarding effectiveness](image-url)
As shown in Figure 7 below, there are some notable differences between the frequency of modalities used by effective versus ineffective organizations. The most effective blend of modalities included ILT, meetings, shadowing, and short-form content — 84% of organizations using all four modalities were rated as effective. Of note is that coaching is used twice as much in effective organizations, and formal meetings, short e-learning pieces, videos, and mentor networks are all utilized more often in effective organizations compared to organizations with ineffective onboarding programs.

Figure 7. Effective vs. Ineffective Groups’ Use of Onboarding Modality
The survey also examined the relative levels of investment across different onboarding populations and purposes. On average, entry-level onboarding (24%) received more resources than middle management onboarding (9%) and leadership onboarding (8%). From a skill-development standpoint, business-related onboarding (20%) tended to receive the most budget allocation, followed by technical skills onboarding (17%) and company culture onboarding (14%).

**Best Practices in Onboarding**

Most illustrative of the difference in companies rated effective at onboarding is the utilization of best practices. These practices were identified in the 2012 research conducted on onboarding.

As shown below in Figure 8, effective organizations were three to four and a half times more likely to use continuous evaluation, consistent implementation, engage leadership for involvement and support, and to ensure pre-deployment onboarding alignment with business goals. Further, while nearly three quarters of effective onboarding organizations develop an onboarding framework, less than half of ineffective onboarding organizations do the same. A notable statistic is that 31% of companies rated ineffective at onboarding engage in none of the best practices listed.

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As suggested above, successful onboarding comes from a mixture of using different modalities to delivering training, as well as adhering to several best practices. Effective organizations tend to use a wider variety of learning modalities with greater frequency, and engage in several types of strategic planning and evaluation to ensure their onboarding programs achieve organizational goals.

Summary

For onboarding, 70% of organizations were rated as effective by learning leaders. Though effective organizations use a mix of different onboarding modalities, the most effective blend was instructor-led training, formal meetings, shadowing, and short-form content such as job aids, and 84% of organizations using this combination were rated as effective. Best practices for onboarding in effective organizations included developing an onboarding/training framework, engaging in continuous evaluation and adjustment of onboarding programs, consistently implementing programs, and ensuring leadership involvement, the latter three of which were endorsed three to four and a half times more in effective organizations compared to ineffective organizations.
Knowledge Capture

The process of knowledge capture is integral to continued organizational functioning; without capturing and documenting job tasks, relationships and dependencies, or procedures and processes, there is no content to inform knowledge transfer. However, as shown below in Figure 9, 62% of organizations are not effective at capturing critical job knowledge. Moreover, only 5% of organizations reported being very effective at knowledge capture.

Figure 9. Organizational Effectiveness for Knowledge Capture

Given the proportion of organizations that are not effective at capturing knowledge, the utilization of methods of capture can inform what distinguishes the effective organizations. As shown below in Figure 10, effective organizations deploy a variety of methods to collect organizational knowledge. In particular, effective organizations were between three and 10 times more likely to use knowledge repositories, assessments, and videos, and reported using online FAQs 32 times more often than ineffective organizations. Lastly, ineffective organizations were five times more likely to report using none of the described methods of knowledge capture compared to the effective group.
Best Practices in Knowledge Capture

We asked learning leaders for best practices for knowledge capture. The three practices that were identified most often were: conducting exit interviews when employees separate from the company; documenting job, process, and contextual/relationship information; and encouraging mentoring, cross-training, knowledge sharing and collaboration.
Knowledge Transfer

While the process of knowledge capture is essential to documenting job tasks and other organizational information, knowledge transfer is the key to relaying that information across the organization and, most importantly, to employees newly hired or promoted into a role. In tandem, effective capture and transfer of knowledge produces measurable ROI through an assortment of methods and technologies.

As shown below in Figure 11, when learning leaders were asked to rate the effectiveness of their own training organizations at knowledge transfer, 48% said that their organizations were either very effective or somewhat effective. These results are an improvement on our previous 2012 finding that 39% of learning leaders rated their organizations as either very effective or somewhat effective at knowledge transfer.

Figure 11. 2012 vs. 2014: Knowledge Transfer Effectiveness

![Knowledge Transfer Effectiveness Chart]

- Percentage of 2014 respondents, N = 236
- Percentage of 2012 responses, N=208
From the survey results, 49% of organizations report that employee retirement is “somewhat” or “not at all” a current or future issue. As shown below in Figure 12, the extent to which employees retiring and taking valuable business knowledge and experience with them varies by industry. While it is less of a challenge in the technology, medical, financial, and non-profit industries, many sectors appear to face a problem with the prospect of retiring employees, particularly for companies in the government, manufacturing, and business service/consulting sectors.

**Figure 12. Retirement Apprehension by Industry**
Of knowledge transfer strategies, **76% of organizations concurrently using work shadowing, paired work and coaching were rated effective.** Effective organizations were twice as likely to utilize coaching, paired work, knowledge repositories and wikis, mentor networks, and rotational assignments. (See Figure 13.)

**Figure 13. Effective vs. Ineffective Groups’ Use of Knowledge Transfer Strategies**
Best Practices in Knowledge Transfer
For best practices in knowledge transfer, learning leaders identified three practices that were endorsed most frequently: facilitating peer-to-peer and team training, delivering information and training in a variety of formats, and ensuring support and involvement from organizational leadership. (See Figure 14.)

Figure 14. Effective vs. Ineffective Groups’ Use of Best Practices for Knowledge Transfer

Summary
Overall, 38% of organizations were rated as being effective at knowledge capture, and 48% were rated as being effective at knowledge transfer. While documentation, interviews, and on-the-job observations were the most common methods of capturing knowledge, organizations with effective knowledge capture programs were substantially more likely to use knowledge repositories, assessments, SME-driven online FAQs, and videos. Organizations using a combination of work shadowing, paired work and coaching were rated effective at knowledge transfer by 76% of respondents, and these three strategies individually were endorsed most frequently by learning leaders. Best practices for knowledge capture included: conducting interviews; documenting job roles and processes; and encouraging mentoring, cross training, knowledge sharing, and social collaboration. For knowledge transfer, effective organizations were four times as likely to utilize best practices for developing a formal knowledge transfer strategy and integrating it into daily operations, and constantly monitoring and updating the company knowledge repository.
Measurement Strategies

Any organization with longevity in its business sector inevitably has to cope with the need to orient new employees, document the job tasks of existing employees, and transfer expert knowledge from retiring employees to their successors. With 41% of organizations reporting that the labor pool does not meet their current or future hiring needs, and 49% of organizations reporting that employee retirement is now or is likely to be an impediment to effective functioning, considering the employee training lifecycle as an interrelated process results in discernible patterns in the habits of effective organizations.

While the processes of onboarding, knowledge capture, and knowledge transfer are all integral to organizational functioning, how these are measured is not necessarily the same across processes. As shown in Figure 15, different strategies show trends in the amount of use depending on the phase of the employee lifecycle. As shown below, participant reactions are utilized most often during onboarding training, and for both knowledge capture and knowledge transfer measurement of on-the-job behaviors is used more often than other strategies. Of note is that business impact is assessed more frequently in later phases of the employee lifecycle, and learning impact is measured consistently across both onboarding training and knowledge capture.

**Figure 15. Utilization of Measurement Strategies for Ensuring Effectiveness**

![Diagram showing utilization of measurement strategies](image)

When considering effectiveness groups and their use of strategies shown in Figure 16 starting with onboarding, effective organizations were found to use every strategy 50-200% more often than
ineffective organizations. This shows that one of the most demonstrable differences in effective and ineffective organizations when it comes to managing training and employee knowledge across the lifecycle come from the sheer use of any strategy.

As can be seen in the figure, during onboarding and knowledge capture the focus is on learning and demonstrating on-the-job outcomes. This suggests these behaviors are emphasized early in the cycle, with a shift to on-the-job behaviors and business impact as an employee ostensibly has more tenure and is able to demonstrate and apply job-relevant training and skills. Markedly, business impact is assessed more than twice as often by effective organizations in the knowledge capture and transfer phases.

Figure 16. Effective vs. Ineffective Groups - Measurement Strategies
Demographics

Company Sizes
Approximately 59% of respondents came from large organizations (see Figure 17).

Figure 17. Company Sizes Represented in the Study

Industries Represented
Technology/telecommunications made up the largest percentage of the sample (see Figure 18). Further, approximately 41% of respondents represented the next four largest industries, including business services/consulting, banking/finance/insurance, health care/pharmaceuticals, and government.

Figure 18. Industries Represented in the Study
Departments and Job Roles Represented

As shown below, the majority of respondents represented leadership roles, and tended to represent their organizations’ human resource departments (see Figures 19-20).

**Figure 19. Departments Represented**

![Pie chart showing departments represented]

Percentage of respondents, N = 252

**Figure 20. Job Roles Represented**

![Pie chart showing job roles represented]

Percentage of respondents, N = 252
About This Research

About Raytheon Professional Services LLC
Today, more than ever, your organization’s success is measured by the performance of your people. In a fast moving and ever changing market, outsourcing training to Raytheon Professional Services (RPS) can significantly lower costs while extending the skills, knowledge and agility of your people across the enterprise.

RPS gives its global customers — particularly those in high-consequence environments — a decisive business advantage. We leverage decades of training expertise and the latest technologies to design tailored learning solutions that are aligned with your unique business objectives. In 2014, we were, once again, ranked by Training Industry Inc. as a Top Content Development Company and a Top Training Outsourcing Company. Last year, BPO research and advisory firm Nelson Hall ranked us the #1 provider in the global learning business process outsourcing market.

For more information, call us at 972-205-5300 or visit us at rps.com

About Training Industry
Our focus is on helping dedicated business and training professionals get the information, insight and tools needed to more effectively manage the business of learning. Our website, TrainingIndustry.com, spotlights the latest news, articles, case studies and best practices within the training industry.

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