Skilling as a strategy:

How employee-centered training can drive frontline retention

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ABOUT

Chegg Skills

For more than a decade, Chegg has supported students from higher education institutions to help them succeed in school and achieve their dreams. The traditional academic path, however, often fails to meet all their needs and bring positive outcomes within their reach. For many, achieving their dream demands taking a different route – yet one that still requires many of the same skills.

We created Chegg Skills to help bridge the gap between these learners and the modern, high-tech workplace they want to enter.

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Foreword

Labor demand in the US leisure and hospitality sector currently outstrips supply by a factor of two.[1] The sector has the highest employee "quit rate" of any in the US, and the latest job figures put vacancies at 1.5 million – with 1.3 million in accommodation and food services alone.[2] This trend is seen across sectors - retail trade, accommodation and food services, healthcare and social assistance are among the industries with the highest quit rates.[3]

Leaders in these and other sectors that employ "frontline workers" to drive customer interactions need solutions to help stem the tide of employee attrition and retain their workforce. Here, we define "frontline workers" as employees who are typically responsible for customer-facing, often in-person, work and frequently earning an hourly or daily wage. Frontline roles account for around one-fifth of total jobs in the US[4] - and in view of the fact that replacing an employee can cost between one-half and two times their annual salary,[5] companies urgently need to provide new and better incentives for employees to stay.

To find out how employers can improve retention, we commissioned a unique report to look into the priorities, concerns and ambitions of this significant - and often overlooked - section of the US labor force. This report focuses on the connections between frontline worker retention and "skills training" - vocational training aimed at imparting particular job-related skills and behaviors, potentially encompassing everything from skilled manual occupations to data analytics, technical project management, and cybersecurity.

First, our study indicates **that frontline workers now want more from their jobs than has traditionally been the case, and shines a light on their desire to step into more technical or advanced roles.** This part of the workforce constitutes a talented yet largely untapped resource, and limiting frontline training to the minimum onboarding, safety, and compliance standards is a missed opportunity - especially when frontline workers are so eager to step up.

Second, the report shows that employers should consider how **supporting their existing frontline workers can help the bottom line. Our findings indicate that companies offering their staff a tangible path to advancement are tapping into a significant incentive that encourages retention**. Supporting frontline workers' development towards more skilled or technical roles can help employers safeguard their talent budget and leverage internal mobility as a differentiator in an increasingly fraught talent market.

However, doing so requires understanding the types of training that frontline workers are most interested in. We found that while frontline workers are more interested in acquiring "technical skills," more employers offered training in areas like communication skills and customer experience - skills that are intended to improve employees' performance in their current roles – than in areas like cybersecurity and data analytics, which could help employees advance to higher-paying or more technically advanced roles.

Our hope is that this report will serve as useful guidance for employers on how they can provide the training their employees want most. If they can offer the right incentives, we could see a new and fruitful relationship open up between frontline workers and employers – to the benefit of both.

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[1] Leisure & Hospitality Employment Update, US Travel, slide 13
[2] Understanding America's Labor Shortage: The Most Impacted Industries, US Chamber of Commerce
[3] The Great Resignation continues. Why are US workers continuing to quit their jobs?, World Economic Forum
[4] How Employment in the U.S. Compares to Pre-Pandemic Times, Statista
[5] This Fixable Problem Costs U.S. Businesses $1 Trillion, Gallup

Summary

To uncover workers' attitudes to skills training, we surveyed **400 US "frontline workers"** – those in full-time employment who are paid an hourly or daily wage. Our study found that:

Many frontline workers consider leaving for better jobs – but would stay if offered job-related training or career advancement.

Most frontline workers do not intend to stay in their roles beyond the short term: 58% of employees said it was likely that they will consider leaving their job within the next two years. Job-related training and career progression are significant factors informing this decision: although 41% said that "Low pay" was a factor, a sizeable number (24%) cited "No advancement opportunities".

If opportunities are offered, however, employees generally have more interest in progressing within their current company than going elsewhere. When we asked employees what they wished to accomplish in the next five years, 48% said "Get a raise at my current company," 32% said "Get a promotion at my current company" and 21% said "Get more responsibility in my current role". Only 26% said "Shift into a new career path".

However, many employers are out of step with the type of training their employees want.

Frontline workers were more interested in acquiring "technical skills" (74%) than other types of training. However, more employers offered training in areas like communication skills (63%), time management (60%) and customer experience (57%) - skills that are intended to improve employees' performance in their current roles - rather than in areas like cybersecurity (43%), tech fundamentals (40%) and data analytics (28%), which could help employees advance to higher-paying or more technically advanced roles.

According to recent research by the National Skills Coalition, 92% of jobs now require digital skills, yet one-third of workers don't have the foundational digital skills necessary to enter and thrive in today's jobs. **Employers that address this gap and realize that technical skills are critical for their frontline workers' effectiveness in their current jobs are better meeting their employees' needs while future-proofing their business amid the rise of AI.**

Skills training is a big incentive to stay – or to go.

An offer of skills training is a big factor in whether frontline workers stay in their job or leave. More than two-thirds (67%) said they would consider switching roles if they were offered job-related training elsewhere – but a similar number (68%)

said that an offer of training would encourage them to stay with their current company.

Frontline workers want employers to provide skills training…

An overwhelming majority (81%) of employees we surveyed said that they would be interested in skills training that was paid for by their employer. This is not merely a passing interest: 74% of employees said that employer-provided skills training was an important factor in choosing to work at their current company and in their current role.

…But they also want flexible training linked to a raise or job opportunities.

When we asked employees what types of training program they were interested in, the top answers were: those that include a 5% raise on completion (87%), those that are flexible and allow you to work at your own pace (84%), and those linked to actual in-company job opportunities once completed (82%). Employers have a strong chance of retaining employees if they can provide training that meets these criteria.

The main obstacle to training frontline workers is time.

When we asked non-participating employees why they hadn't participated in skills training in their company up to now, the top answers given were "I have too many other priorities right now" (32%) and "The timing of classes did not work with my schedule" (32%).

Recommendations

From these findings, an initial picture emerges of how companies can use training as a lever for retention among frontline employees:

- **Consider which tech-forward training (such as data analytics or cybersecurity) might be a good transferable skills match,** and provide foundational programs (such as a tech fundamentals course) to support workers who haven't previously worked with technology.

- **Build digital skills training into frontline workers' onboarding and development plans,** in addition to company culture and mandated safety and compliance content.

- **Make training accessible, relevant, and portable to employees' career development goals** - communicate opportunities to 'step up' or advance to the next job, and provide guidance on the training and experience that could help them get there.

- **Select on-demand, flexible trainings** that allow employees to learn at their own pace.

- **Facilitate connections between talent acquisition and learning and development teams** to leverage skilling as an internal strategy for both retention and internal hiring.

Methodology

To gauge sentiment on skills training, we deployed a 15-minute online, mobile-optimized survey of both employers and employees, conducted between September 22 and October 4, 2022.

400 employees were surveyed: criteria for participation were to be aged 18+ and paid through an employer's payroll as an hourly or daily wage earner. 78 of the 400 employees surveyed (20%) had a Bachelor's degree.

We also surveyed **75 influencers and decision makers** for HR learning and development (human resource development managers or equivalent). This included questions on what their training needs were, how they intended to fill them, what features of training programs appealed to them, and how they felt about particular providers. Criteria for employer participation was to be **aged 21+** and **employed full-time** at companies with $1 billion+ revenue and 1000+ full-time employees.

For Employees

Results reflect a Chegg commissioned online survey conducted between September 22 and October 4, 2022 among self-reported employed hourly or daily wage earners aged 18+. Respondent base (n=400) among 3,172 invitees. Sample size represents this population of customers within a margin of error of 5% at 95% confidence.

For Employers

Results reflect a Chegg commissioned online survey conducted between September 22 and October 4, 2022 among employers at companies with greater than $1 billion in revenue and more than 1,000 full-time employees that were pre-recruited using proprietary AI and API integrations. Respondent base (n=75) among 270 invitees. Sample size represents this population of customers within a margin of error at 10-14.2% at 95% confidence.
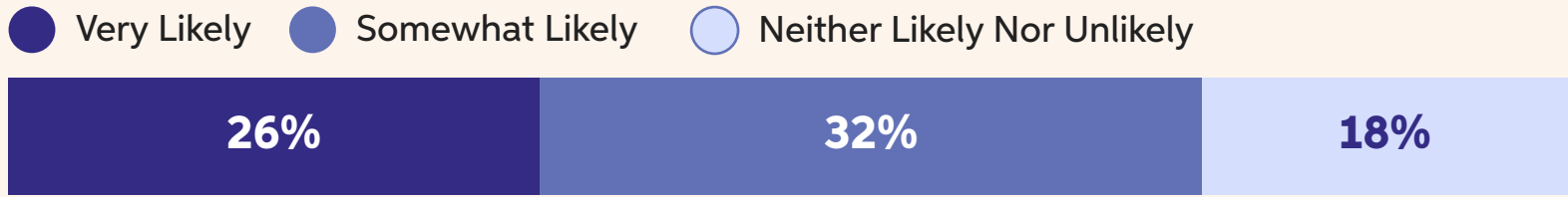
Few frontline workers are very satisfied at work and many plan to leave

One of the primary findings of our research was that most frontline workers do not currently intend to stay in their roles beyond the short term. 58% of employees said it was likely that they will consider leaving their job within the next two years.

Satisfaction with Current Role

● Very Satisfied   ● Satisfied

20%	45%

Likelihood of Leaving Job

● Very Likely   ● Somewhat Likely   ● Neither Likely Nor Unlikely

26%	32%	18%

The top reason given by employees for leaving within the next two years was "Low pay" (41% of respondents). However, a sizeable number (24%) cited "No advancement opportunities" as a reason.

Frontline workers want skills training

An overwhelming majority (81%) of employees we surveyed said that they would be interested in skills training that was paid for by their employer.

Moreover, skills training is not merely a passing interest for employees: most have wanted to pursue training since applying for their present job. Of those we surveyed, 74% said that employer-provided skills training was an important factor in choosing to work at their current company and in their current role.

Impact of employer provided skills training on selection of current role

● Very Important   ● Somewhat Important

38%	36%

Career advancement is a big motivator

Although only 40% of the employees we surveyed worked at companies that offer skills training, 70% said that the ability to enroll in training at work is important for their professional development and career goals.

Frontline workers are interested in progressing to higher positions: 70% of frontline workers we surveyed were interested in advancing or changing their career.

Career Advancement Interest

⬤ Very Interested   ⬤ Somewhat Interested

40%	30%

Employees also have, on balance, more interest in progressing within their current company rather than going elsewhere. When we asked employees what they wished to accomplish in the next five years, the most popular answer (48%) was "Get a raise at my current company", while 32% said "Get a promotion at my current company" and 21% said "Get more responsibility in my current role". Only 26% said "Shift into a new career path".

Career aspirations

Get a raise at my current company	48%
Achieve better work / life balance	36%
Get a promotion at my current company	32%
Achieve greater job security	28%
Shift into a new career path	26%
Get more responsibility in my current role	21%

Skills training is an incentive to stay – or to go

Our study found that the offer of skills training can be decisive in whether they stay in their jobs or leave to go elsewhere.

More than two-thirds (67%) said they would consider switching roles if they were offered job-related skills training elsewhere, and a similar number (68%) said that the offer of skills training would encourage them to stay with their current company. This suggests that training represents an opportunity to retain employees – but also that employers risk losing them if they are not offering the training employees want.
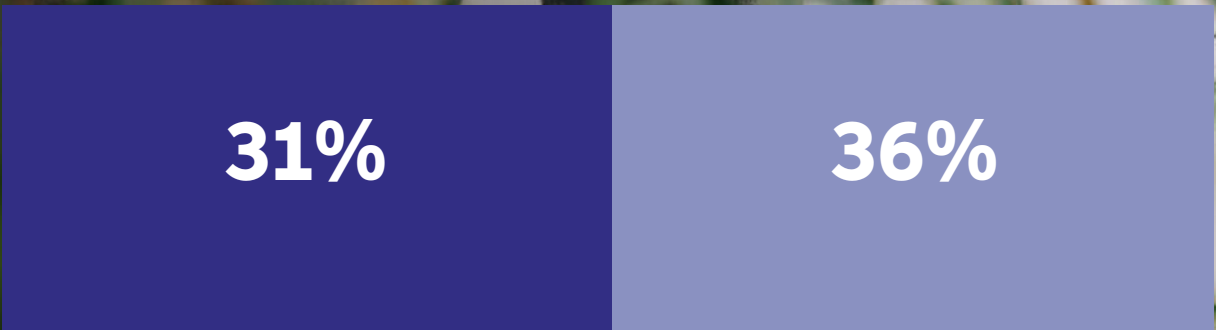
Skills training impact on **employee retention**

● Strongly agree　　● Agree

Offering job-related skills education/training tools would encourage me to stay with my current company

31%	37%

I would consider switching roles if I were offered a position with a company that offers job-related skills education/training tools
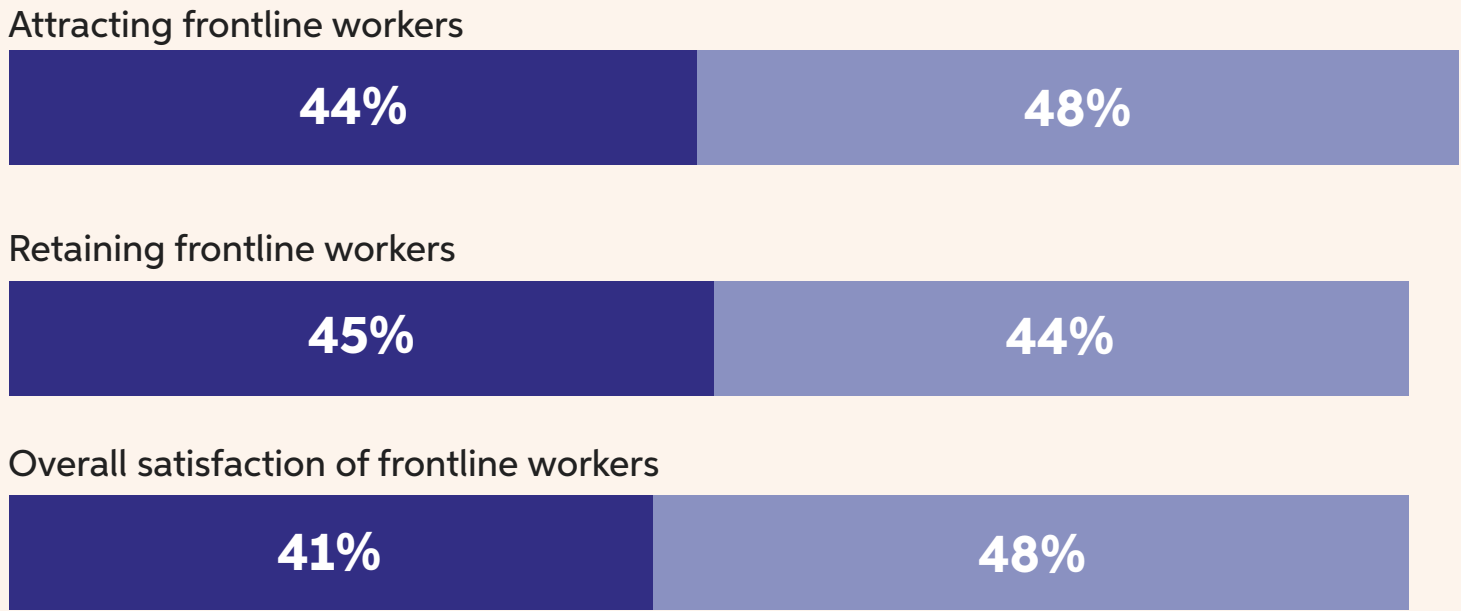
31%	36%

Many employers are out of step with the training their employees want

Almost all employers agreed that skills training is a key concern for frontline workers. 92% of employers we surveyed said it was somewhat important or very important in attracting frontline workers, 89% said it was somewhat important or very important in retaining them, and 89% said it was somewhat important or very important in helping maintain overall satisfaction at work.

Importance of Skills Training for Attracting, Retaining, and Promoting Satisfaction Among Frontline Workers

● Very Important   ● Somewhat Important

Attracting frontline workers

44%	48%

Retaining frontline workers

45%	44%

Overall satisfaction of frontline workers

41%	48%

Skills training development areas of interest

● Very Interested   ○ Somewhat Interested

Other technical skills
36%   38%

Organizational skills
36%   36%

Communication skills
35%   35%

Life Skills
36%   32%

Effective time management
32%   36%

Improving customer / client experience
32%   34%

Beyond agreement on this point, however, employers and employees tend to have different ideas about the training that should be offered. Since employees want training that will facilitate career advancement and/or better pay, they have more interest in technical courses than other types of training. The area they have most interest in is "technology fundamentals", with 62% expressing an interest. At a more general level of skill type, frontline workers were more interested in acquiring "other technical skills" (74%) than "communication skills" (70%) or "effective time management" skills (68%).

In contrast, many employers currently focus their training provision elsewhere – with more offering training in soft skills areas like communication skills (63%), time management (60%) and customer experience (57%) than in technical areas like cybersecurity (43%), tech fundamentals (40%), and data analytics (28%).

Where technical training is offered to frontline workers, it also tends to be aimed more at current roles than at opportunities for advancement.

84% of employers say they offer technical skills training for employees' current roles, but only 69% say they offer technical skills training for advancement opportunities.

These findings suggest that although many employers provide training to their frontline workers, the training offered is not necessarily the type desired by their employees – and may therefore have limited power to incentivise employees to stay.

Employees want flexibility, financial advantage and job opportunities

Our study found that employees have three top priorities in mind for training programs. When we asked employees what types of programs they were interested in, the top answers were:

• Programs that include a 5% raise on completion (87%)

• Programs that are flexible and allow you to work at your own pace (84%)

• Programs that are linked to actual in-company job opportunities once completed (82%).

Interest in future skills training programs

● Very Interested   ● Somewhat Interested

Programs that include a 5% raise upon completion

59%	28%

Programs that are flexible and work at your own pace according to your schedule

50%	34%

Programs that are linked to actual in-company job opportunities once complete

44%	38%

Similarly, when we asked about potential motivations to engage in skills training, the top answer was "To switch to a job with increased potential for growth/advancement" (51% of respondents) – significantly higher than "To switch to a new/different field" (37%). This suggests that employers have a strong chance of retaining and attracting employees if they can provide training that results in better pay or greater seniority.

Financial considerations are also a big factor in whether frontline workers will embark on training. While a sizeable minority (28%) of those we surveyed had previously independently enrolled in training courses, an overwhelming majority (81%) said they would be interested in skills training if it were paid for by their employer. When we asked respondents what would motivate them to enroll in training, the joint most popular answer was "The program was free" (37%), alongside "I have a general interest in learning and the subject matter".
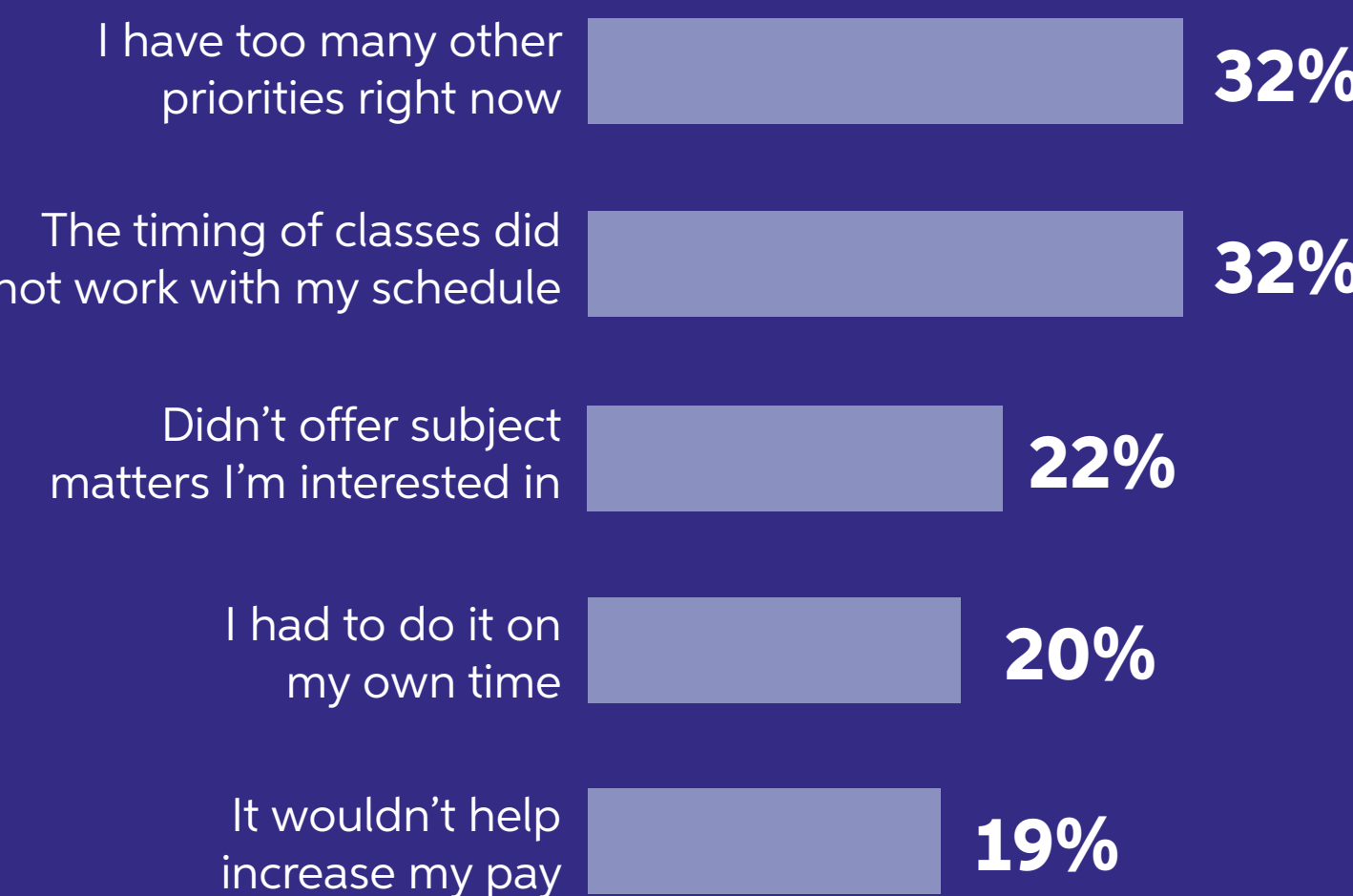
The main obstacle to training frontline workers is time

Of all the obstacles to employee training, time constraints and schedule difficulties appeared to be the most significant.

When we asked non-participating employees why they hadn't participated in skills training in their company up to now, the top answers given were "I have too many other priorities right now" (32%) and "The timing of classes did not work with my schedule" (32%). Similarly, when we asked all employees what would prevent them from taking up training, the top answer was "Classes do not fit with my schedule" (27%). A majority of employers (53%) also gave "Not enough time in the workday" as their top obstacle to encouraging employee training.

Employers therefore need to offer flexible training that can be completed anywhere, anytime, and at employees' own pace.

Reasons for Not Participating in Skills Training

I have too many other priorities right now	32%
The timing of classes did not work with my schedule	32%
Didn't offer subject matters I'm interested in	22%
I had to do it on my own time	20%
It wouldn't help increase my pay	19%

Recommendations

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