

Get Talking  
About  
**Retention**



## How English Language Training Spurs **Employee Retention**

A growing challenge for organizations is the fact that workers with Limited English Proficiency (LEP) are a significant source of labor for the business community.



Business

## Executive summary

Without properly trained employees, few companies can succeed in the long run.

A growing challenge for organizations is the fact that workers with Limited English Proficiency (LEP) are a significant source of labor for the business community.

Companies that don't invest in language training for these essential workers will lose employees, drive up business costs, suffer greater overall inefficiencies, and risk their reputation and competitive edge.

This eBook looks at these issues and offers pragmatic, easy-to-implement solutions that virtually any company can adopt.







## Top takeaways

- Communicating with clarity and confidence strengthens business operations and relationships.
- A workforce without English language proficiency can disrupt the operation of every department, putting everyone at risk.
- According to the National Immigration Forum, "... immigrants and their children are expected to account for all of the labor force growth in the United States in the next 40 years."
- Companies that make a strong commitment to sharpening the language proficiency of its LEP workers will see a lower turnover rate and save money by holding onto current employees.
- A Dale Carnegie Training Center study of workers in general found that "40 percent of poorly trained employees end up leaving their companies within their first year on the job."
- Businesses that embrace English language training programs typically see their retention and productivity levels rise.



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# Linking English language skills and retention



Employees are one of the most important assets of any business.

From generating new leads and servicing existing accounts to providing goods and services and ensuring customer satisfaction, the workforce largely determines whether a company will soar, crash, or just get by.

Without properly trained employees, few companies can succeed in the long run.

Acquiring well-performing workers is a necessity and retaining them is equally critical. "Employee Benefit News (EBN) reports that it costs employers 33 percent of a worker's annual salary to hire a replacement if that worker leaves."<sup>1</sup>

Multiply that by hundreds or thousands of workers and the implications are staggering.

A growing challenge for organizations is the fact that workers with Limited English Proficiency (LEP) are a significant source of labor for the business community.



**It costs one-third of an employee's salary to find their replacement.**

According to the National Immigration Forum, **"Currently, the United States population includes more than 42 million immigrants. Immigrants and their children are expected to account for all of the labor force growth in the United States in the next 40 years."**<sup>2</sup>

Put another way: The business community and LEP workers will be mutually dependent on each other for many years to come.

The problem? Workers with limited English language skills will not stay with companies that don't show a strong interest in employee development. Companies that don't invest in language training for these essential workers will:

- Lose employees
- Drive up business costs
- Suffer greater overall inefficiencies
- Risk their reputation and competitive edge

Language training is the obvious, cost-effective solution—but how? What type of training is best? How should training be executed? And will it really reduce employee defections and increase retention rates?



# Impact of limited language skills on businesses

Communicating with clarity and confidence strengthens business operations and relationships. A workforce without English language proficiency can disrupt the operation of every department, putting everyone at risk. This may lead to:

**Lower retention rates.** A study by the Dale Carnegie Training Center of workers in general found that "40 percent of poorly trained employees end up leaving their companies within their first year on the job."<sup>3</sup>

**Higher replacement costs.** Replacing departing workers because of lower retention rates invariably drives up a company's costs, eating up money, time, efforts, and resources. Replacing a worker can cost one-third of their salary, according to a study from Cornell University.<sup>4</sup>

**Tarnished reputation.** Companies with a high employee turnover rate can look bad in the eyes of customers, earning a negative standing in the business community.



**of poorly trained employees leave their companies within their first year.**

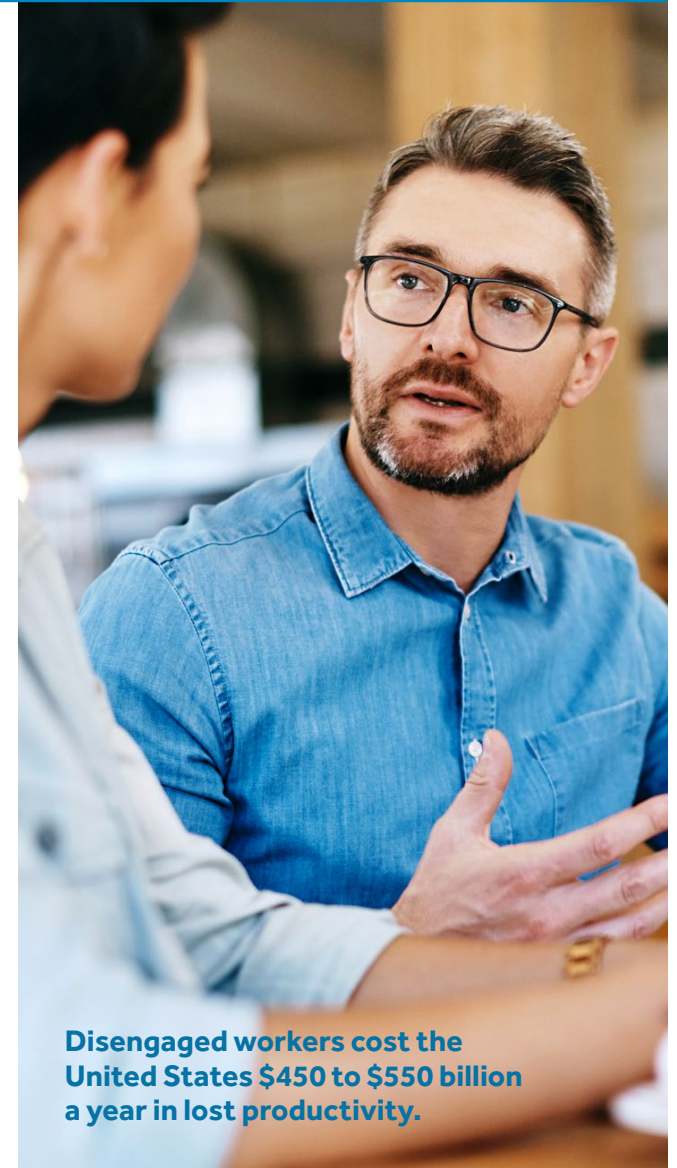
**Lower employee engagement.** LEP workers who feel cut off from the surrounding business culture are less engaged with their work and their fellow workers. A report from Good.co found that "Disengaged workers cost the United States \$450 to \$550 billion a year in lost productivity."<sup>5</sup>

**Customer dissatisfaction.** A study by Intradiem, a solutions provider for frontline workers, found: "When agents don't feel engaged, employees pay less attention, care less about their work and make more mistakes . . ."<sup>6</sup> That can have a negative impact on the customer experience, which may result in customer loss.

**Knowledge drain.** Departing workers also take with them institutional knowledge accumulated over their time with a business.

**Longer learning curves.** Businesses must devote additional resources to new workers, instead of building on the skills of their existing workforce. This can delay attainment of overall company goals.

Businesses that don't meet the needs of their LEP workers will be hit on all sides with rising costs, especially when it comes to retaining workers. But language training has its own consequences, as we take up in the next section.



**Disengaged workers cost the United States \$450 to \$550 billion a year in lost productivity.**



# Barriers to offsite language training

The obvious solution is for employees to improve their language proficiency, to get the skills necessary for discharging their job duties.

While many people in the business community would agree with this, it raises important questions: Isn't it up to the LEP workers themselves to seek out this training on their own? Aren't they ultimately responsible for arriving in the workplace with the requisite skills to succeed?

On the face of it, the answer is yes. Indeed, some LEP workers would probably agree, demonstrating their commitment to self-improvement.

However, despite the best intentions of LEP workers, the reality is far different. Getting language training on their own is rife with impediments and obstacles:

**Not enough time.** In a survey of HR leaders, Workplace Management magazine found: "The most frequently cited barrier to success with language learning was employee workload . . . Employees were simply too busy to complete training, even when the need was clear."<sup>7</sup>

**Inconvenient class schedules.** A report from the Brookings Institution found that language classes, such as adult education, repeatedly conflicted with workers' schedules.<sup>8</sup>

**Personal obligations.** Family commitments and other outside responsibilities are an inescapable fact for LEP workers, further preventing them from taking any outside class to improve their skills.

**Few classroom opportunities.** Surging demand in adult education courses, limited supply of available instructors, and lengthy waiting lists create a perfect storm that hampers many LEP workers from attending classes after work.

**Uneven instruction quality.** Many adult education courses, through no fault of their own, must contend with outdated class materials, overworked teachers, and underfunded resources. According to a report from EdSurge, which covers education and technology issues, adult education courses cannot promise that they provide a consistently satisfactory classroom learning experience.<sup>9</sup>

The reality of language learning options is not encouraging. LEP workers may desperately want to sharpen their skills, but their family situations, work schedules, and outside classroom choices pose obstacles to any meaningful progress.

That said, companies that throw in the towel and look at high worker turnover as just another cost of doing business are shortchanging themselves.

As the next section will show, company-sponsored language training can provide enormous benefits to all parties.



Language classes, such as adult education, repeatedly conflicted with workers' schedules.





## Essential edge of a language proficient workforce

To stay competitive, businesses must get the best value for their money. This is especially true when it comes to its workforce. The benefits of a company-sponsored language training program can result in significant, positive outcomes in so many ways.

According to a study from the Brookings Institution, employers who invested in their workers' skills "reported improvements in morale, productivity, absenteeism, turnover, labor-management relations, and the health and safety records of participants."<sup>10</sup>



**Investing in workers' skills improves "... morale, productivity, absenteeism, turnover, labor-management relations, and the health and safety records of participants."**





# Essential edge of a language proficient workforce



Dig deeper into these improvements and the benefits mount:

**Higher retention rates.** Companies that make a strong commitment to sharpening the language proficiency of its LEP workers will see a lower turnover rate and save money.

**Increased sense of belonging.** Workers having communication confidence feel more integrated into company culture, including with co-workers, managers, supervisors, and customers.

**Greater team collaboration.** Removing language barriers allows workers to work and interact better together. That leads to increased pride and ownership in getting their work done quickly, responsibly, and satisfactorily.

**Higher productivity.** Businesses that embrace English language training programs typically see their productivity levels rise. For example, a report from the

National Association of Manufacturers and Jobs for the Future found that "Employers supported the programs because they had a measurable, positive impact on the bottom line."<sup>11</sup>

**Better employees.** Companies that invest in employees' language skills will attract a pool of high quality job candidates. Good workers want to be associated with companies that show a deep interest in their training, leading to stronger loyalty and reduced costs over time.

**Stronger employee value.** As companies invest in the language skills of workers, the value of their contribution increases. This results in an upward return on investment going forward.

The benefits of company-sponsored training for LEP workers are clear. But exactly what type of training does that entail? Let's take a look.



**Businesses that embrace English language training programs typically see their productivity levels rise.**



# Solutions for improving English language skills

Nearly every department of any business will come out ahead when language training for LEP employees is given top priority.

An upfront investment now will pay for itself over and over again in terms of stronger retention rates, greater efficiency, harmony, productivity, collaboration, growth, profits, reputation, and more.

Choosing the right company-sponsored language training program is essential to achieving these positive outcomes. Any business looking for unusually strong control and accountability will find those benefits from Rosetta Stone—and much more:

**Total immersion.** Employees begin speaking immediately, with all learning taking place in their new language. This prepares them to adapt in real conversations.

**Instant feedback.** Pronunciation assistance is always on, helping learners to build speaking confidence at their own pace.

**Live Tutoring.** Employees practice speaking during online conversations with native-speaking tutors in a comfortable environment where they won't feel judged.

**Scalability.** Regardless of the particular demands and requirements of any company, Rosetta Stone can scale a program that meets those considerations.

**Flexible solutions.** Customizable language training program to address the unique circumstances for any business, ensuring the best use of company resources.

**Anytime/anywhere training.** Enables workers to train and study at practically any time and in any location. This ensures a stronger commitment to learning, deeper engagement, and faster progress.

**Unlimited accessibility.** Workers access their training on desktops, laptops, smartphones, and tablets so they are only a finger swipe or key-stroke away from enhancing their language skills.

**Customized learning.** Tailored language programs can take the shape of eLearning, virtual tutors, or instructor-led training—whatever works best for a particular business.

As many businesses have discovered, the advantages of a Rosetta Stone® language training program are transformative and long-lasting, as the next example demonstrates.



## Language learning gives employees a reason to stay.

When employees improve their English language skills they increase their sense of belonging, work with others naturally, and are more productive. Employee retention improves because language learning:

- Opens new career paths
- Becomes a lifelong personal skill
- Is recognized as a major benefit
- Leads to greater understanding





## Case study: Language training cuts employee turnover



The Panda Restaurant Group actively encourages its associates and employees to hone their skills on a regular basis. In particular, sharpening their English language proficiency is ingrained in the corporate culture.

**"There are so many barriers in careers as is. We don't believe language should be one of them,"** says Alvin Tang, learning and development coordinator at Panda.

To that end, Panda began offering the Rosetta Stone® program to its workforce. Employees could access the program through their email accounts using their device of choice—home computer, laptop, tablet, or smartphone.

Tang created a Facebook group that celebrates learner achievement, posts encouraging messages, and champions super users. Learners are eligible to win prizes based on their participation in the language program, with more than 10 new employees recognized every month.

Tang reports that language training has led to a decrease in employee turnover by as much as 19 percent, cutting Panda's training and rehiring costs. Measurement was possible because they defined Key Performance Indicators and goals up front with their implementation manager, centralized the program, and had visibility into each employee's progress.

"At first we saw Rosetta Stone as a supplemental learning option," Tang says. "But now, with the help of our client managers who really understand Panda's culture and structure and the different types of positions, they've helped us identify opportunities to further utilize Rosetta Stone to lift up the performance of our operation."<sup>12</sup>



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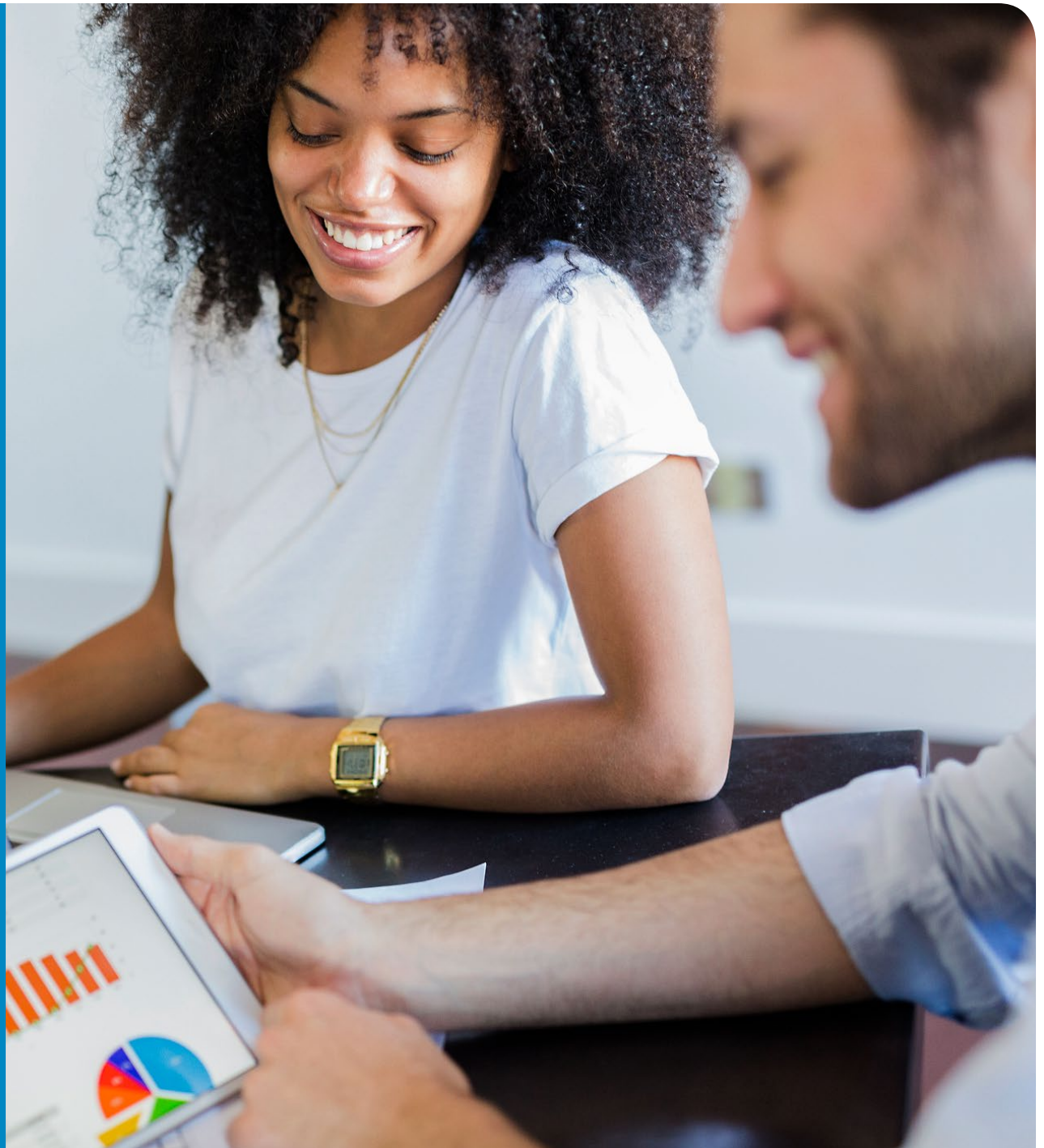
## Moving your LEP workforce to greater achievement

Hiring and keeping good workers is essential for the bottom line of any business. Lower turnover rates keep costs down and productivity up.

The secret for retaining LEP employees is to invest in reliable language training. Businesses that put a premium on training today will ensure their position in their niche tomorrow.

Let Rosetta Stone help you build your future growth with custom-tailored, learner- focused solutions and options.

Contact Rosetta Stone now to request a consultation about setting up a language training program for your employees.







## Getting started checklist

It's helpful to address these performance indicators when assessing your company's English language training needs.

- ✓ **Is LEP and miscommunication contributing to employee inefficiencies?** English-language barriers are notable obstacles to improved production processes and sales methodologies.
- ✓ **Are you more likely to retain customers if your employees speak their language?** Poor language skills lead to misunderstood or unaddressed customer complaints.
- ✓ **What is the engagement level of current LEP employees?** Language training deepens colleague relationships, builds trust with supervisors, and positions employees for career growth.
- ✓ **Is a lack of English skills becoming more evident in your current or prospective workforce?** Limited English proficiency affects employees from line-level workers to white-collar execs.
- ✓ **Are limited English skills stalling employees' careers?** Turnover is costly. Loyalty is a dividend of language training that provides lifelong personal and professional rewards.

For more information on how to get started, [get in touch with one of our solution experts](#).





## Resources:

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## About Rosetta Stone

Rosetta Stone Inc. (NYSE: RST) is dedicated to changing people's lives through the power of language and literacy education. The company's innovative digital solutions drive positive learning outcomes for the inspired learner at home or in schools and workplaces around the world. Our scalable, interactive solutions have been used by over 12,000 businesses, 9,000 public sector organizations, and 22,000 educational institutions worldwide, and by millions of learners in over 150 countries.

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