

Post-hire training: a means of integrating and retaining new recruits?

New recruits receive less training than employees with longer job tenure. Training on entry into post is provided less frequently for formerly unemployed individuals than for people already in employment prior to recruitment. Nevertheless, the fact of having received post-hire training seems to improve employee retention, particularly among the previously unemployed. Such training would appear to be a means of improving worker-job matching or employee engagement with the work environment.

All recruitment is uncertain, even - maybe especially - in times of mass unemployment. Will a good candidate turn out to be a good employee? Will he or she integrate properly into the company? Economists have advanced the notion of matching in order to emphasise that, prior to recruitment, there are in theory no good or bad workers but that it is the match between a worker and a job - and more generally with the work environment - that will turn out, post recruitment, to be a success or a failure. Thus, depending on what the employee and employer discover, the match may continue or be broken off on the initiative of one or other party. There are several ways in which the quality of the match can be improved. A company can improve its recruitment practices, but this option quickly comes up against its limits, since assessment and selection are always uncertain. Another option would appear to be an easier solution for firms to adopt, namely to improve the new employees' integration into the workplace by using training as a lever to act directly on the quality of the new matches.

Following on from the studies of firms' recruitment practices carried out by the *Centre d'études de l'emploi* (CEE, now the CEET) and at Céreq, this study is concerned with the training firms offered employees who had just been recruited in 2010. The efforts individuals make to adapt to their employers' needs, improve their employability and find jobs attract considerable attention in both

the public debate and academic studies. However, recruitment quality also plays out over the long term and with the participation of the employers. For firms, deciding to recruit and train workers with certain profiles is to count on, or even invest in, the quality of their adaptation to the job with the aim of reducing turnover. We use data from the CVTS4 and Difes2 studies (cf. box p. 4) in order to address the question of the links between post-hire training and employee retention.

Training on entry into post: infrequent and unequal

The profile of the new recruits in 2010 was significantly different from that of employees with longer job tenure in the same companies. They were, self-evidently, younger and the share of women was higher (cf. Table 1 on the next page). The share of individuals with few if any qualifications (lower secondary leaving qualification, formerly the BEPC, at most) was lower, which reflects the rise in qualification levels among the younger generations. On the other hand, the share of university graduates in the flows of recruits was lower than in the stock of employees with slightly longer job tenure. Thus those who were not in stable employment (since they were still in the flows of workers recruited in the market) were less well qualified than those who already had a year's job tenure with their employer.

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JOB TENURE
TRAINING
RECRUITMENT
COMPANY
MATCHING
STABILITY

1 Employee characteristics by length of job tenure

		Length of job tenure in 2010				
		Entrants	1-5 years	6-10 years	11-20 years	21 years and over
Share of employees (%)		15	33	17	18	17
Gender	Male	57	58	67	70	70
	Femal	43	42	33	30	30
Classe d'âge	15-24 ans	35	13	1	-	-
	25-49 ans	61	78	85	79	40
	50 and over	4	9	14	21	60
Qualification	Lower-secondary leaving certificate at most	9	11	15	12	21
	CAP or BEP	29	27	25	33	41
	Baccalaureate	29	15	21	18	15
	2/3 years' post-secondary education	19	23	23	24	14
	4/5 years' pse., grandes écoles, PhDs	13	24	16	13	9
Type of employment contract	Open-ended	48	88	96	98	99
	Fixed-term	52	12	4	2	1
Status prior to joining the company	Employed	42	62	67	57	44
	Unemployed (< 1 year)	20	11	8	16	10
	Unemployed (> 1 year)	7	7	4	7	4
	Inactif	31	20	21	20	42
Share of employees given training, regardless of nature of training		29	48	54	57	55
Duration of training	Up to 6 hours	32	22	33	20	15
	More than 6 up to 18 hours	20	32	23	24	30
	More than 18 up to 30 hours	30	15	13	21	21
	> 30 hours	18	31	31	35	34

Sources: Difes/2-CVTS-4, Céreq. Field: all employees.

More than half of the new recruits were hired on fixed-term (i.e. temporary) contracts, whereas the share of employees on open-ended (i.e. permanent) contracts was 88% or more for those with longer job tenure. These figures confirm what is already known about the overrepresentation of temporary contracts in hiring flows relative to their share in the stock of total employment. Finally, before taking up their jobs, the individuals recruited in 2010 were more likely to have been unemployed or inactive than those recruited before that date and still employed in the same company. Thus the 'formerly unemployed' – most of whom had been unemployed for less than a year – accounted for more than a quarter of new recruits in 2010. This overrepresentation of unemployed individuals in the flows of recruits can be explained in two ways. It may reflect the deterioration in the economic situation between 2009 and 2010, but it may also be the result of a higher level of mobility in the past among workers hired while they were unemployed or inactive. In that case, those who had been recruited while in employment would be more likely to have remained with their company. In 2010, only 29% of new recruits were offered

training, compared with 48% of employees with between one and five years' job tenure and more than half of employees with longer job tenure. This may be a reflection of the crisis, with firms cutting back on training expenditure when the economy was weak. It is impossible to ascertain here whether the downward adjustment took place to the particular detriment of those recruited in 2010. It is clear, nevertheless, that in that year training frequency rose with job tenure. Thus training seems to be used by companies less as a complement to the recruitment of individuals from outside the company than as a policy aimed at the stable workforce. Moreover, new entrants were more likely than other employees to have attended very short training courses (up to 6 hours' duration) but were less well represented in courses of more than 30 hours' duration. The training provided on joining the firm tended to consist of job induction and/or work group integration courses.

What are the profiles of the recruits who were, nevertheless, offered training in 2010? Firstly, the new recruits were less likely to receive training when they were employed in companies experiencing a decline in activity (cf. Table 2). Conversely, the qualitative dimension of social dialogue appears to play a role; thus, training on entry was more likely for workers hired by companies where the workforce representatives were involved in determining training content and not simply whether or not training was provided. When a company stated that it recruited and trained in order to adapt to future skill requirements, the impact on the training of new recruits was not significant.

The main lesson to be drawn from the profiles of recruits is that training on entry, like training more generally, was targeted at those workers who may not have had the greatest need of it. Firstly, the effect of the skill level of the job held is absolutely clear: manual workers had a very much lower probability of being trained than white-collar workers. Secondly, new entrants were more likely to receive training from their employers if they had previously been in employment and if they were employed full-time in their new jobs. Thus firms seem to invest more in training those they regard as likely to be immediately 'profitable' because they have recent experience and/or are employed full-time.

Thus individuals who had been unemployed prior to recruitment were less likely to be offered training on entry. However, such training is undoubtedly necessary, essential even, for this population, since they are obviously very likely to be more removed from employment.

2 Probability of receiving training in 2010

	Average marginal effects
<i>Level of qualification (ref: baccalaureate)</i>	
Lower-secondary certificate at most	-16,4%**
CAP or BEP	ns
2/3 years' post-secondary education	ns
4/5 years' post-secondary education, grandes écoles, PhDs	ns
<i>Previous status (ref: employed)</i>	
Unemployed < 1 year	-16,1%***
Unemployed > 1 year	-15,0%***
Inactive	-19,7%***
<i>Job skill level (ref: white-collar/clerical)</i>	
Managerial/executive	ns
Intermediate occupations	ns
Manual	-24,5%***
<i>Part-time working (ref: full-time)</i>	
	-12,7%***
<i>Employee representatives involved in developing training content</i>	
	+11,3%***
<i>The company experienced a decline in business activity in 2010</i>	
	-10,6%***

Model including the following variables:

(1) individual variables: age, gender, marital situation (spouse not working/spouse working/single), presence of children, level of qualification, situation before joining the company
 (2) matching variables: type of contract, working time, job skill level.
 (3) company variables: size, sector, existence of individual interviews in order to identify training needs, company that recruits to promote, company that provides training in order to retain employees, company that recruits and provides training in order to adapt to future skill requirements, employee representatives are involved in delivering training but not in developing content.
 Significance at 10% threshold (*); 5% (**); 1% (***) ; ns : not significant.

Field: all employees recruited in 2010, on open-ended or fixed-term contracts.
 Source: Difes/2-CVTS-4, Céreq.

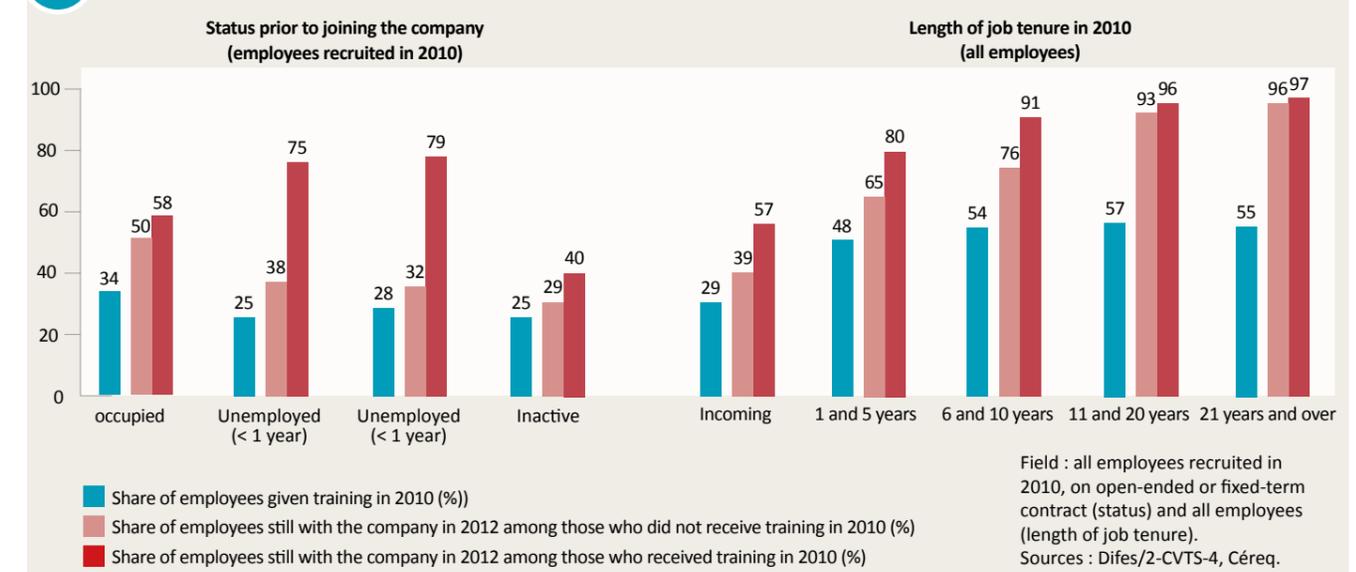
Thus they have to adapt to their new tasks completely informally while on the job, without the company formally providing any funding for their training. Employees who had previously been inactive were also less likely to receive training, but it might reasonably be assumed that many of this group were former students just leaving education. In the light of these inequalities, was the fact of receiving less training prejudicial to the stability of the workforce?

From training to workforce stability?

The share of employees who remained with the same employer between 2010 and 2012 rose with their job tenure in 2010, whether they received

training or not. Moreover, training and stability seem to be linked; those employees who received training were more stable than those who did not (cf. Figure 3 below). However, the contribution training makes to workforce stability seems to decline over time, since the gain in stability that was apparently linked to training decreased with job tenure. It is, of course, impossible to know whether the employees took part in training programmes because they were stable or whether they were stable because they had taken part in training. Similarly, with regard to those recruited in 2010, it is impossible to know whether their employers provided training for them because they wanted to retain them or whether they were stable because their training had improved the quality of their match – with their jobs in particular and with their companies more generally.

3 Training and stability within company between 2010 and 2012



The CVTS-4 (*Continuing Vocational Training Survey*, coordinated by Eurostat) and Difes2 (Information system on employer-employee training) surveys were conducted by Céreq, in collaboration with Dares and Insee.

The CVTS-4 survey, the 2010 wave of the CVTS survey, was conducted among 5,360 companies with 10 or more employees in the private and semi-public sectors, excluding agriculture, education and health. Companies were questioned about the training courses that they provided for their employees during working hours or that they funded at least in part, on their HR policies and on work organisation. In the Difes2 survey, a total of 6,070 employees who had been present in 2010 in a sub-sample of 1,800 firms included in the CVTS-4 (excluding temp agency workers) were questioned in the first half of 2012.

The study isolates a sample made up of 566 'new entrants', i.e. the cohort of individuals who had been recruited for the first time in 2010 on open-ended or fixed-term contracts by one of the companies in the CVTS survey. Thus these were not workers who had been re-hired, which is a common practice that reduces the uncertainty of recruitment.

Since the study focuses on the probability that the new recruits received training on joining the company, i.e. in 2010, the year of their recruitment, and then the probability of their still being with the company in 2012, several categories were eliminated. They included workers on upskilling contracts (contrats de professionnalisation) and apprentices (who by definition receive training), as well as seasonal workers (who are unstable by definition) and three individuals who were retired in 2012 (and hence had left the company).

Further reading

Quand la formation continue... Repères sur les pratiques de formation des employeurs et salariés, M. Lambert et I. Marion-Vernoux (coord.), Céreq, 2014.

Pratiques de recrutement et sélectivité sur le marché du travail, Y. Fondeur, M. Forté, G. de Larquier, S. Monchatre, G. Rieucou, M. Salognon, C. Tuchsirer et A. Sevilla, Rapport de recherche du Centre d'études de l'emploi, n° 72, 2012.

Les entreprises forment moins quand la conjoncture se dégrade, A. Checaglini, I. Marion-Vernoux, Céreq, *Bref*, n° 267, 2009.

« Des entreprises satisfaites de leurs recrutements ? » G. de Larquier, CEE, *Connaissance de l'Emploi*, n° 70, 2009.

Les entreprises dans le processus d'insertion des débutants, N. Moncel (dir.), Céreq, *Net.doc*, n°86, 2001.

A logit regression, not reproduced here, shows that, for employees with identical profiles (individual characteristics, type of employment contract, skill level of job, sector, size of firm in 2010, etc.), the fact of having received training on entry into post was accompanied by a greater probability of remaining with the company (being still employed there in 2012).

These results prompt us to look in greater detail at the stability differentials by employment status prior to recruitment in 2010. This status (employed, inactive or unemployed) is, after all, one of the signals of candidate quality recruiters use in their assessments. It is known, moreover, that employment statuses tend to recur repeatedly in occupational trajectories. Finally, we have already seen that the provision of post-hire training varied depending on whether the new recruits had previously been employed, unemployed or inactive. Whether or not they received training, the workers recruited when they were already in employment were the most stable. Whether or not training was provided on entry into post did not really change the percentage of remainers among those in employment on recruitment: between 50% and 58% were still with their company in 2012. Thus matching with a person already in employment seems to bring fewer 'unwelcome surprises' than the other possibilities. Paradoxically, employees with this profile tended

to be offered more training than the others, but it was not this that determined their stability in the company. Those previously inactive were more unstable, undoubtedly because they were students recruited on temporary contracts.

The stability differential linked to training, on the other hand, is particularly strong for the previously unemployed; the share of this population remaining in their company was much greater than that of the formerly unemployed who had not received any training (the differential being higher for the long-term unemployed). In other words, for the individuals recruited from unemployment, there were two possible scenarios within their company: either they stayed or they simply passed through, which seems to correspond to the provision or otherwise of training, of however short a duration, in the year of recruitment. It is not possible, on the basis of these results, to ascertain whether it was a selection effect (they received training because the company wanted to retain them) or the beneficial effect of training on the quality of the worker-job match that was dominant. Logit models estimated for the three separate populations confirm this result. Among the formerly unemployed, stability within the company is positively and significantly correlated with the fact of having received training; this result is not replicated for the other two populations, i.e. individuals in employment or inactive before being recruited.

This study, which focuses on the quality of worker-job matching and employees' post-hire training behaviours, supplements existing findings on employee training in general. The use of training during recruitment still bears the stamp of unequal treatment. It is provided more routinely for full-time workers and for those who were previously in employment. For those previously unemployed, the probability of participating in post-hire training is reduced. Nevertheless, and without it being possible to determine the direction of causality, there is certainly a link for the unemployed between the fact of taking part in a training course on recruitment and the subsequent possibility of becoming stabilised in employment.

This is an important finding that also highlights the role that employee representatives might play internally in determining the content of company training plans as well as externally in national schemes established through cross-industry negotiations that link the recruitment of unemployed people to the provision of training at work.