



Employee Retention - Fantasy or Reality?

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During a conversation with one of my clients, the issue of employee retention surfaced as a key concern. I was asked, "Should we create a formal plan to retain and engage great employees?" My answer surprised them, "Formal employee retention plans often do not work."

Don't get me wrong, employee retention is critical to the long term success of a business. Retaining the best employees ensures great customer satisfaction, increased product sales, satisfied coworkers, effective succession planning and deeply embedded organizational knowledge sharing.

It was merely ten years ago when all the talk centered around the "War for Talent." Caught in between recession and recovery, my client was worried that once again in a healthy economy, their organization would lose top performers to better opportunities, face labor shortages and competitive on-boarding packages. They wanted to create a program to keep their employees from jumping ship for new opportunities.

A recent Society of Human Resource Management (SHRM) study found the majority of Senior Managers and HR professionals agree with my client, stating they think turnover will rise significantly once the job market improves.

The problem with most employee retention plans is they focus too much on compensation rates, benefits, and short term perks. It's not that these factors are unimportant; they're very important. In fact, most top choice employers typically offer better pay and benefits than their competitors. However, it is often discovered in exit-interview results, that the majority of employees voluntarily leave their jobs for other reasons. Misalignment of mutual expectations, person-job mismatch, insufficient coaching and feedback, perception of poor career-advancement prospects, work-life imbalance, and both distrust toward and low confidence in senior

leadership are more deeply rooted issues that can lead to consistent turnover.

Employee retention matters. It is the primary measure of the strength of an organization. If a company loses a critical employee, it is a safe bet that other people in the company are looking as well. So here are some tips for retaining great employees:

- Communicate goals, roles and responsibilities so people know what is expected and feel like part of the "in-crowd". Management thinkers from Marcus Buckingham and Curt Coffman (First Break All the Rules) to Patrick Lencioni (Three Signs of a Miserable Job) agree that **a satisfied employee knows clearly what is expected from them every day at work.**
- Provide opportunities for people to **share their knowledge** via training sessions, presentations, mentoring others and team assignments. At one Financial Services company, interns are asked to present to the District Vice President (DVP) about their marketing and sales ideas about existing products. The interns get a kick on these presentations and the DVP's get a different perspective on their products and services.
- **People want to enjoy their work.** Make coming to work fun and nurturing. Have a costume party at Halloween. Run a food collection drive. Pick a monthly charity to help. Three years ago a small team at a medical device company once adopted a rural school in the foothills of Kentucky. They collect monies and donations for art supplies, sporting equipment and books for the library. To this day, people still talk about the school and many on their own send supplies and equipment each year.
- Simply **recognize hard work and celebrate the success.** It can be as simple as a handwritten thank



you note or a small token of appreciation. My favorite example is a company that was pulling all nighters to launch a new product on time. The Vice President brought in a massage therapist for 15 minute chair massages and gave gift certificates to a house cleaning service.

- **Demand your employees be the very best** they can be at work and at home. Start a book club. Support healthy eating and exercise programs. Help your employees accomplish one of their dreams or goals.
- **Engage and employ the special talents** of each individual. The legal assistant of a small law firm has a special knack for creating water color paintings. Every year, the law firm auctions off one of the legal assistant's paintings for charity.
- **Involve employees in decisions** that affect their jobs and the overall direction of the company whenever possible. The owners of my running store knew they would have to make a reduction in staff. They presented the scenario to the staff. The staff created a voluntary unpaid time-off program and part time schedule to keep the store fully staffed with no layoffs.
- Provide opportunities within the company for **cross-training and career progression**. People like to know that they have room for career movement. It may not be a vertical move. Let employees explore other options to keep their interests.
- Create a **strong foundation of leadership development and supervisory skill base**. The immediate supervisor has a critical role to play in retention. People leave managers and supervisors more often than they leave companies or jobs. It is

not enough that the supervisor is well-liked or a nice person, anything the supervisor does to make an employee feel unvalued will contribute to turnover.

- Establish a culture with diversity thought and the ability to speak freely in a respectful and constructive manner. I once asked a CEO what the rate of ideas per employees was at his company. He told me he had a suggestion box although no one seems to use it. Actively solicit ideas from your employees. Provide **a forum where employees can feel comfortable providing constructive feedback**.

Want the bottom line when it comes to employee retention? Even if a company is committed to be more "in tune" to employee engagement and morale, it can be difficult to determine what drives your employees especially when their motives differ from your own. Take a look at your organization and ask, are you doing the very best to retain top talent or even just the really good employees? Cultivate the culture you want and work to create the best place to work possible. It's good for you business, good for your employees, and ultimately, good for you. Don't guess, take the proper steps to learn and grow and understand how to apply the techniques that can help make your business more successful, more productive and more rewarding for everyone.