# Finders Keepers, Losers Weepers:

## Proven Ways to Retain Your Best Employees

by Greg Smith

PRIDESTAFF®

Imagine – you have been working late to finish an important project when your ***"project manager"*** (fill in with appropriate title) walks into your office and tells you she has been offered a better job. This is the same person you handpicked, trained, and recently gave a pay raise. As she turns to depart she says, "There are others thinking about leaving too."

What went wrong?

How are you going to finish this project?

Who will be next to leave? The dread is starting to sink in.

Employers face enormous challenges when they consider the increasing difficulty of finding skilled people, a more demanding younger workforce, and a growing population of older workers heading toward retirement. **In the next 10 years, HR professionals expect 3 out of 10 employees in their organization's workforce to retire.**

The difficulty in finding and keeping talented people is having a catastrophic impact on many businesses and industries throughout the world. In addition to those retiring, surveys show one out of every three people plan on quitting their jobs this year. The greatest threat employers face is losing their best and brightest to the competition. That's a lot of talent leaving organizations and just the beginning of what many people have described as the "perfect storm."

# Here Comes the "Plug and Play" Generation

A new generation of workers is transforming the landscape. There are several reasons why. On one end of the workforce, the Baby Boomer generation is retiring, leaving fewer skilled people to choose from. On the other end, a smaller group of younger workers is entering the workforce who place their needs for instant gratification first and foremost. The average tenure of a 20-something is less than 18 months, creating a swinging door and a cycle of misery for employers.

# The Cost of Turnover

Each year businesses spend billions of dollars recruiting and replacing their employees. They assume turnover is unavoidable and think there is very little they can do to prevent it. For the most part, organizations focus on retention after they start experiencing a turnover problem.

Few businesses consider the impact of turnover on their bottom line. It takes $7,000 - $14,000 to replace a typical employee, and to replace a key manager costs the same as buying a Lexus. To replace a critical care nurse can run up to $185,000; and when a top talented individual in a key role departs, it can cost millions. In spite of the staggering cost, the majority of businesses do not have a formal retention program.

Money and benefits are important, but studies show most employees leave for other reasons. Obviously, a certain degree of turnover is unavoidable, but with a small amount of effort, organizations can make a major difference.

Your retention plan should address the following key components:

## Hire the best and avoid the rest.

Cisco CEO John Chambers said, "A world-class engineer with five peers can out produce 200 regular engineers." At Yahoo they would rather leave a position open than hire the wrong person. Instead of waiting for people to apply for jobs, top organizations spend time looking for high-caliber people whether they have a job opening or not.


## Redesign your orientation program for new employees.

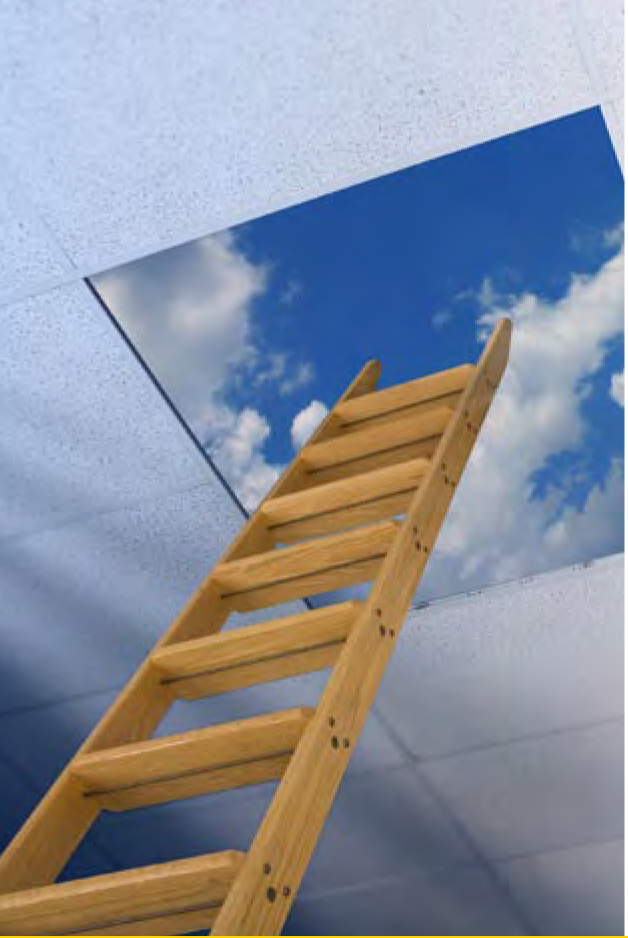
The old saying, "You don't get a second chance to make a good first impression" is true in this case. Organizations experience the highest level of turnover during the first 90 days on the job. The purpose of onboarding is to quickly assimilate the new person into the organization, so make the first critical days stand out as a positive experience. This is a great opportunity to make new hires feel proud to have chosen your organization.

## Provide flexible work schedules adapted to the needs of the individual.

In today's workplace, flexibility rules. A one-size-fits-all approach has long since lost its effectiveness. Workers will migrate to a company whose benefit packages and schedules help them meet the demands of their lives, whether they are single parents, adults who care for aging parents, older workers, younger workers, part-time workers, or telecommuters.

## Get rid of the slackers and whiners.

Employee retention does not mean you keep everyone. Employees say one of the main reasons they stay is because they like the people they work with. No one wants to work with people who do not pull their weight. Those businesses that tolerate poor performance will drive off the good employees and be stuck with the bad ones.



## Soft skills are becoming the hard skills.

Interpersonal skills are a critical element of the high-retention culture. People want to feel management cares and is concerned for them as individuals. Yet, poor "soft skills" are one of the biggest factors driving people away. To build stronger bonds between top management and employees, one corporate office practices something called the "Employee Scavenger Hunt." Once or twice a year, they give every executive or manager five names of employees. They find each person, meet them, and learn about them as individuals. The process builds a better bond, improves communication, and increases trust within the organization.

## If they can't "move up" they will "move out."

For many people, learning new skills and advancing their career is just as important as the money they make. In a study by Linkage, Inc., more than 40 percent of the respondents said they would consider leaving their present employer for another job with the same benefits if that job provided better career development and greater challenges.

## Create an early warning detection system.

Ask employees to let you know if they hear of people who are thinking about quitting. Advance notice will give you an opportunity to try to prevent the departure. One practice Applebee's put in place is the "Turnover Alert Form." It is designed to identify and prevent discontented managers from quitting. In those situations, Applebee's brings the managers in to meet with the CEO and possibly other executives. They want to identify and repair anything that might be causing job dissatisfaction.

## Create an alumni program.

No matter how good you think your company is, your employees always think they can find a better job elsewhere. "The grass is greener" mentality is alive and well in organizations across the country. So keep the doors open for the good ones to come back. Keep in contact with previous employees, send them newsletters, keep recruiting and talking to them until they return. Who knows, they may refer other employees to you.

## Look for triggers.

Focus on individuals going through some form of change such as marriage, pregnancy, divorce, a child's graduation, mergers, or other important events that could influence job satisfaction and/or persuade or force employees to leave the organization prematurely.

## Re-interview your employees.

An emphasis on hiring new people can cause "older" employees to disengage, feel ignored, or forgotten. To combat this situation, consider re-interviewing all of your employees periodically. During the interview, review their training and development, ideas and suggestions, identify new skills acquired, and review their pay and benefits.

## Take the temperature of your workforce.

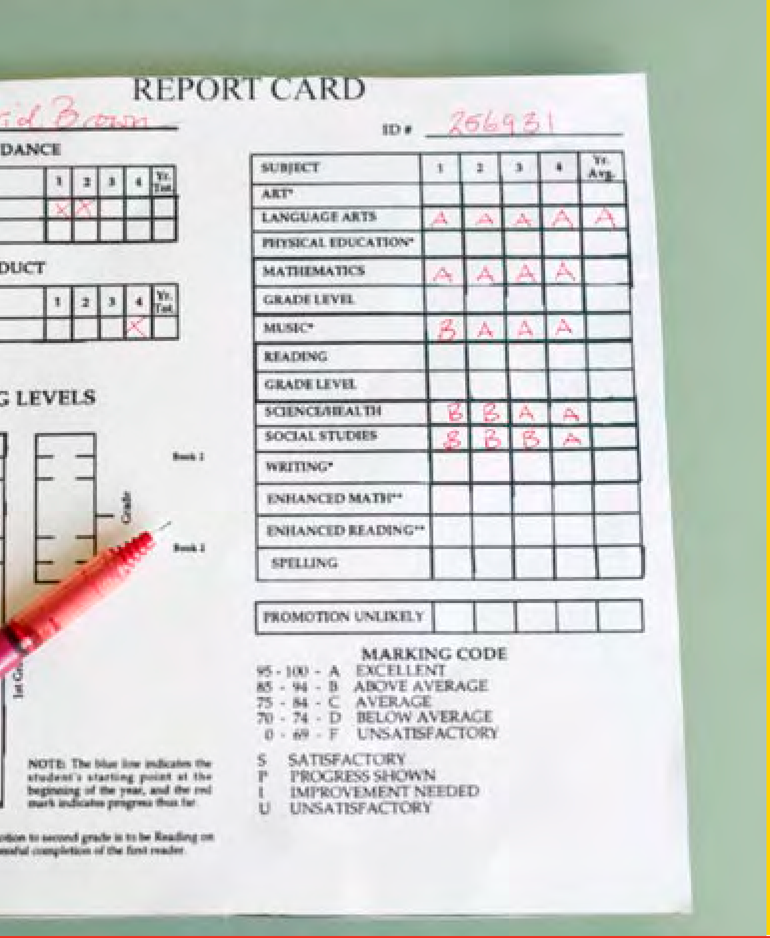
High-retention workplaces use employee climate assessments to measure the attitudes and feelings of their workforce. Every organization should conduct some form of climate assessment periodically during the year.

## Complete an Individual Retention Plan on your best employees.

You must manage retention one employee at a time. Focus on the key jobs that have the most impact on profitability and productivity. Everyone has a different set of needs and expectations about their jobs. By conducting an individual retention profile, managers can quickly identify the employee's unique motivations, goals, level of job satisfaction, as well as other expectations.

## Focus on the family.

One small company gives their employees' children a $50 Savings Bond twice a year when they get straight A's on their report cards. Another survey of 1,000 companies showed that half of them let workers stay home with mildly ill children without using vacation or sick days. Two-thirds permit flextime, defined as allowing employees to adjust work hours on a daily basis.




## Identify and weed out poor managers.

The relationship with the employee's front-line manager is the most common reason people leave. As part of LaRosa's employee retention strategy, all workers evaluate their bosses twice a year using a special report card. It asks the employees to give their managers a letter grade from A to D in four categories. Any score less than a "B" requires a specific comment from the employee. After it's completed, they tabulate the comments and design action plans for improvement.

## Adopt your employees.

Starting employees off on the right track is incredibly important, and maintaining your hiring initiatives and keeping strategies fresh and creative is the key. One organization goes a step further than most – they ADOPT their employees. After they are hired and complete the orientation program, the new employee is brought into a conference room and presented with a set of "Adoption Papers". The certificate is printed on parchment paper. The employee also receives a cupcake and with a lit candle commemorating this important event.

## About the Author:

Greg Smith's cutting-edge keynotes, consulting, and training programs have helped businesses reduce turnover, increase sales, hire better people, and deliver better customer service. As president of Chart Your Course International, he has designed and implemented professional development programs for hundreds of organizations globally. He is a former examiner for the Malcolm Baldrige National Quality Award, the nation's highest award for business excellence. He has authored eight books including his latest, *401 Proven Ways to Retain Your Best Employees*. For more information, visit www.chartcourse.com or call (800) 821-2487 or (770) 860-9464.

Visit Greg's website to download a free employee retention organizational assessment and a Cost of Turnover Calculator to determine how much turnover is actually costing your business.  Please go to: www.highretention.com/cost-of-turnover.html.

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