

# MANAGING FOR RETENTION

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Unemployment is at a 24-year low. Record-breaking numbers of employers are reporting hiring intentions remaining strong throughout all geographic regions. “Now Hiring” billboards and classified advertising for “Help Wanted” are at all-time highs.

Employee loyalty is down. According to a SHRM Retention Practices Mini-Survey, three of four employers are either “somewhat concerned”(33 percent), “concerned”(24 percent), or “very concerned”(17 percent) about the number of voluntary resignations in their organization. The Wall Street Journal reported that SHRM’s most often asked question from its members is, “How do we keep talent from jumping to our competitors?”

Never before has it been so critical to focus on strategies for keeping good employees. Yet, employers are finding that solving the issue of high turnover is no easy matter.

## **DRIVERS FOR REDUCING TURNOVER**

One of the major drivers for employee retention is the cost of turnover. Employers understand that keeping good employees keeps money in their pockets, and that employee turnover is a direct drain on the bottom line. According to Michele Carpenter, Aetna’s director for work-life strategies, by reducing turnover and keeping good employees, she was able to save her company more than \$1 million annually.

Another driver for employee retention is the high cost of recruiting and replacing valued employees. In a low-unemployment market, employees are increasingly difficult to find and woo away from competitors. The ultimate strategy to reduce the costs of turnover and high recruitment costs is to manage for retention.

## **STRATEGIES**

In the SHRM survey on retention previously mentioned, those who conduct exit interviews indicated that the most widely cited reason for leaving an organization is to advance to a better job. So what makes a “better” job? This question was addressed by the Families and Work Institute in a survey titled, “The National Study of the Changing Workplace.” This survey asked a nationally representative group of 3,400 employees what they considered to be “very important” in deciding to take their current job. The top three reasons (with the greatest number of respondents indicating “very important”) included:

1. Open communications (65% respondents indicating “very important”)
2. Opportunities to balance life (60%)
3. Meaningful work (59%)

## **HAVING OUR SAY**

Being listened to and heard by others is a sign of being respected and valued. Today’s employees want a voice—to state problems, share ideas, and make suggestions.

While on-site child care and other similar programs are important to employees, most employees want to be respected and listened to. Surveys have also revealed that respect is considered the number one need for balancing work and life issues.

What can organizations do to create strategies to offer voice to its employees as a key retention strategy? Consider the following options.

1. **Hold 50/50 meetings, breakfast or lunch meetings, or regular staff meetings.**  
Hyler Bracey, author of *Managing From the Heart*, suggests that key caveats for leadership with heart are that employees want to be heard and understood, and that they want to be told the truth with

compassion. These two concepts can be balanced in 50/50 meetings, where management speaks 50 percent of the time on their goals, vision, and mission, and where employees have a chance to raise their own questions and issues for the remainder of the meeting. Since being in on things is extremely important for employees, the best way to curb negativity and low morale is in-depth, straightforward communication through a variety of meetings—over breakfast or lunch, at staff meetings, or other employee forums.

2. **Management by Wandering Around (MBWA).**

Managers need to follow Tom Peters' "excellence" principle of getting out amongst employees to discuss important day-to-day issues. Consider asking such questions as, "What can we do to make your job easier...better...to create a better experience for you?"

3. **Conduct exit interviews.**

Toys R Us Inc. reduced its turnover by 35 percent in part by listening to what the dissatisfiers were. By going beyond vague reasons such as "more money" or "better opportunity" they were able to discover the real dissatisfiers ("you're not paying me enough to put up with . . .").

4. **Use other methods to listen to your employees that are consistent with the organization's culture.**

Suggestion systems, employee task force meetings, and employee committees may serve as excellent strategies for more effective listening. Be prepared to act on employee issues, however. The worst thing that management can do is to ask the questions without any intention of responding to critical issues.

## **BALANCE**

Balance may well become the most sought after employer "benefit" for the twenty-first century. According to a Coopers & Lybrand survey, Generation Xers aren't as impressed with money as with balanced lifestyle—the top priority it has identified in young job seekers.

What should employers consider in addressing balance as a retention tool? Consider these strategies.

1. **Acknowledge non-work priorities.**

Work may not be the number one priority for employees; it may not even rate number two. People have multiple needs and concerns: to support their families, financially and emotionally; for spiritual growth; to build meaningful relationships with others; and to develop other interests and hobbies. Organizations must understand and respond to their employees' needs for greater opportunities for balance. Employees develop loyalty for organizations that respect them as individuals, not just as workers.

2. **Offer work scheduling options.**

Bob Beck of Gateway 2000 Inc., a computer manufacturer, states, "One of our goals is to be the best place on the planet to work, and we meet that goal by showing concern for both families and the community" by offering flexible schedules for meeting volunteer and family needs. Flex schedules, part-time options, job sharing, telecommuting, and phased and rehearsal retirement all offer choices to balance today's hectic demands.

3. **Create a pool of contingent workers.**

The Travelers Insurance Company has discovered that having a pool of contingent workers has been a solution for temporary and part-time staffing needs as a means to offer more balance to its employees.

## **MAKING A DIFFERENCE, NOT JUST A LIVING**

"We're all desperate to belong to something larger than ourselves. So 'soulful work' is where you feel you belong," states David Whyte, author of *The Heart Aroused: Poetry and the Preservation of the Soul in Corporate America*. Having work with meaning—to make a difference in the work that we do—is of paramount importance to employees today.

How can employers offer work with meaning to their employees? Consider these options.

1. **Develop an organizational mission that has meaning.**

Ian Percy, in his book, *Going Deep: Exploring spirituality in life and leadership*, (Macmillan Canada), explains that it's hard for any employee to get excited about a mission that says "We want to be the preferred supplier in our chosen marketplace," or, "Our mission is to provide the best possible service, within available resources, to every customer." Each statement falls short of showing how the organization is contributing to the greater good. He goes on to say that mission statements should not be self-serving, as in "Our mission is to sell a hundred million dollars' worth of product," but rather, "By the year 2006, we will have saved an additional 150,000 human lives." Employees need to be connected with a purpose—something bigger and better than themselves.

2. **Provide pride/ownership in one's job.**

Barbara Glanz, in her book, *CARE Packages for the Workplace - Dozens of Little Things You Can Do To Regenerate Spirit at Work* (McGraw-Hill), encourages organizations to let employees "sign" their work, and tells a remarkable story of how one bagger at a grocery store began to "sign" his work with a "thought for the day"—a small slip of paper dropped into each customer's bag that he made the night before. Not only did this activity generate strong customer interest in this employee (customers stood in his line to receive the "thought for the day"), but this enthusiasm spread throughout the entire store, generating spirit and commitment among employees.

3. **Give back to the community.**

According to *HR Magazine*, ("Operations that build smiles, confidence, skills and community goodwill," by Martha Finney), organizations are finding that a strong volunteerism program can be a bonus for both recruiting and retaining employees. For example, candidates considering a corporation as a future employer view its work in the community as a factor in their decision to apply for or accept a job. Warner-Lambert enjoys its involvement in community projects so that employees can proudly say, "That's the company I work for."

Retaining employees may be the top priority for employers today, yet it is no easy issue to address. In changing manager behaviors and attitudes to respond to the importance of voice, balance, and meaningful work, employees will find that they no longer have to look for greener pastures—they are experiencing the best that organizations can offer: a place where they are valued and respected as not just workers, but as fellow human beings.