Retention: Its mostly common sense

By Kevin Wheeler

Much is being written right now about retention. Fears are growing that employees will soon begin leaving in much greater numbers than they have over the past few years. I think that this is largely an unfounded fear. Good people (and bad) tend to stay where they are unless there are rather large reasons to move. These reasons can be simple and easy to fix, such as not being paid enough, or as complex and hard to fix as a bad relationship with co-workers and management.

What is more difficult, as a recent article in Workforce magazine points out, is knowing who to focus on keeping and who not to.

Good people are never easy to satisfy, and for the best people, employment is more about relationships and opportunities than it is about pay or security. What we often fail to recognize is that individuals have changing needs. As their experience increases, and as their knowledge and intellectual capital accumulates, they need challenges, stimulation, excitement, and change to stay productive and engaged.

To maintain the employment relationship, employers have a huge responsibility. First of all, they need to clearly know who their best employees are, keep them informed, help them maintain and develop skills, encourage internal movement and change, and help them to build networks and internal relationships.

None of these things costs much when compared to the cost of recruiting and developing new employees, and none of them are really very hard to do. But to put them into place does require a change of mindset and a willingness to break (or at least stretch) the usual policies and rules that exist in many organizations. After all, good HR and good recruiting is all about treating people fairly — but not necessarily the same.

Here are four requirements for building lasting loyalty and a strong employee/employer relationship in your organization.

1. Manage performance, not time.

You need to have a performance management system that works. A major reason for employee unease and anger is insecurity over how their performance will be assessed. Employees want to know what good performance looks like, and, more and more, they expect to be rewarded for achieving it.

Those whom you rate the highest should always know exactly how they are perceived as performing. They need specific goals to accomplish, deadlines to achieve, or customers to satisfy. Everyone I have ever talked to hates the idea that people get paid simply for showing up on time. Yet this is how most American organizations work. Performance is not managed anywhere near as much as time is managed and accounted for.

For the best employees, offer frequent opportunities to move within the company to jobs that either fit their skills and interests better or that challenge them to acquire new skills. HR and recruiters should do their best to reduce or eliminate the bureaucracy that limits or regulates this movement.

Employees also want to work on interesting projects, dynamic teams, or for managers who are respected and can teach. Placing your best employees under poorly performing managers or in poorly performing divisions or departments is an open invitation for them to leave.

2. Keep employees informed.

Silence is the greatest enemy of retention. When management does not update the employees on the financial and business state of the company and when rumors can be counted by the minute, turnover goes up and productivity goes down. While some people (usually the "B" and "C" players) hunker down and hide, the best ones start looking.

I can't tell you how many excellent employees who are highly valued have left their employers because of business uncertainty. No one expects assurances or guarantees, but what most at least hope for is an understanding of trends: Are things better, the same, or worse? Are customers leaving? How is sales volume?

Relationships thrive on the exchange of information. The organization also needs conduits for employees to let management know about changes in their development, classes taken, and new skills acquired. Employees want the employers to use this information to help them find promotions or new positions within the organization that will offer them a greater challenge or more financial incentive.

Two-way communication between employer and employees is as critical as is performance management.

3. Educate to retain.

Education and development are the cheapest retention tools in your arsenal. Survey after survey shows that acquiring new skills rates as high as getting more pay when employees are asked what they are seeking from their employer. Locking promising people into degree or certificate programs is almost a guarantee that they will remain with your firm until they complete the program. Most will be loyal and thankful. All of them will be better-educated and hopefully more productive employees. This is a *big* plus for large organizations in particular, and if you work for one you should be capitalizing on this right now.

But if we think about our own learning, most of us will agree that the really useful stuff has been acquired in an informal way. We learn from peers, bosses, friends, and our own experiences. Formal education may lay the foundation, but we build on it by doing, failing, and trying again. That is why we should encourage people to take on jobs that are "over their heads." The best will quickly learn on the job and through their informal networks and conversations. Every employer should encourage employees to transfer to different positions frequently and establish rewards for managers who let their people go and who try and develop their staff.

Many employees who leave organizations are simply looking for a bigger challenge or the opportunity to use a new skills or degree. Smart organizations will encourage this and motivate managers to source and hire internally whenever possible — even if it will require a bit of training.

4. Help every employee build a social network.

Employees are frequently devoted to fellow employees and feel strong attachments to them. This is what keeps many people from job-hopping. We all know how powerful networks are.

Companies that actively promote employee interaction and teamwork have less discontent and less turnover than those that keep employees apart or at odds.

I recommend starting clubs and social groups within the company that work and play together. Some companies form college clubs for new college grads that help them become oriented to the firm and meet other new hires. This tends to raise the level of commitment they have to the organization and reduces turnover. Internal networks are powerful binding devices. Encouraging internal blogging, the use of virtual communications tools like SMS or IM, and the use of video conferencing can strengthen networks and extend them globally.

Knowledge is a powerful retention tool and naivety and ignorance can best be combated by sharing of ideas and experiences between people from many different firms.

There us nothing that I have written here that is new. Employee retention is about applying the Golden Rule — do unto employees as you would have done unto yourself. It is 90% common sense.

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