HRMORNING

Why Good People Jump Ship

And What You Can Do to Keep Them

TALENT MANAGEMENT

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Why Good People Jump Ship
And What You Can Do to Keep Them

Good people are the lifeblood of every successful organization. They're also the hottest commodity in the business world today.

Managers who do the best job selecting, developing and valuing their people enjoy higher productivity and lower employee turnover.

Yet good people jump ship every day.

One reason: There really aren't enough good people to go around – so competitive organizations find ways to steal the best and brightest.

Can you blame them?

That's why stopping good people from jumping ship can never be left to chance!

Poor retention is a revolving door that lowers morale and eats away at productivity, efficiency and profit.

A strong retention plan does the opposite – it raises all boats.

It is a mix of proven management techniques practiced every day along with fair compensation, competitive benefits and respect for that elusive work/life balance.

Effective growth and development programs for employees can be done in-house, at the manager/supervisor level, without spending a fortune on outside consultants and trainers.

The challenge for managers: to work daily to keep employees engaged. It's an ongoing process that, when done properly, becomes an ingrained part of the atmosphere and the work ethic.

It's just plain good business to do it.

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Even in tough times, good people leave despite high unemployment. And in good times, the problem grows with average turnover at least 18%.

The U.S. Department of Labor has estimated that the average cost to replace an employee in private industry is $13,996. Human resource experts say that figure is closer to 50% of the departing worker's salary. In certain technical fields, it can be more than double the worker's salary.

So, where to begin:

People want to be a part of something special ...

Worth repeating: You've heard the phrase that people are only as good as the company they keep. Well, the reverse is also true. A company is only as good as the people it keeps.

Worthwhile employees – people worth having – need to feel wanted.

To remain engaged, people must feel like they are an important part of an organization and that what they do contributes in an essential way to a successful outcome.

For them, work is far more than simply completing assigned tasks.

Being good at your job creates a rewarding sense of self. It makes people feel good about themselves. It's energizing and fun.

It refuels people and makes them feel whole.

Being engaged also makes them want to come to work each day, and keep coming back.

So, why's that so hard?

Why do so many firms and organizations struggle with retention?

One answer: It is up to the organization to remain essential to the good employee – and not vice versa.

That's where good management techniques come into play.

Managers can always train good people to do specific jobs. And in time, good people will learn to do those jobs even better.

But it takes even more than that.

Times have changed ...

Worth repeating: Good management is the art of making work challenges so interesting and the solutions so constructive that everyone wants to roll up their sleeves and deal with them.

Let's face it: The notion of an employee getting his or her foot in the door at a company like General Motors and staying put for 35 years until retirement is long gone.

There was a time when a mentor might give these words of advice to a wide-eyed young person about to launch into a career:

"The secret to success is to find a solid company, work hard, pay your dues, be loyal, and the company will take care of you for the rest of your life."

What happened?

Today's employees change jobs more frequently than ever before.

And in spite of all that job-hopping and all those candidates in the job market, hiring managers still report that finding that perfect candidate is getting harder and harder.

"I ran an ad and only two people showed up."

Does that sound familiar?

That's part of the cost of not hanging on to good people.

How about this one: "Oh, I had over 50 candidates apply for four open slots. But only two passed the drug screen!"

That's obviously not very good, either.

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Surprise! People leave managers, not companies ...

Worth repeating: Be sure employees don't confuse bad management with destiny.

It's true the old notion of blind loyalty is dying.

But one notion from the past does persist. That is: Good employees don't leave companies, they leave managers.

Actually, they leave bad managers.

There are generally four management styles that drive good employees nuts – and eventually out the door.

1. Micromanagers

There must come a point in the life of every good manager where he or she literally has to learn how to trust employees to do their jobs.

It doesn't mean not to hold them accountable – just to trust them.

Micromanagers are easy to spot because they are always asking: "Where's that report? What about this? How about that? Is this done? Have you pursued that? Did you call this person? Did you call that person? Did you do that? Here, let me show you how to do that."

This drives good people crazy – and it drives them away.

One of the reasons people get promoted into management in the first place is that no one had to micromanage them. Good managers were usually self-starters as employees. They were given a job, and they did it.

When they made a mistake, they learned not to make that same mistake again.

So, as a manager now, be sure to stay out of the way. Tell employees what to do, set them straight, and be clear on the

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bottom line and the results that are needed.

Then get out of the way – or good people will leave.

2. The Baseball Bat

If you still have managers saying this – “Do It Or Else!” – you may have some decisions to make.

Yelling and screaming at employees, commonly called the baseball bat approach, was a management tool (and parental tool) decades ago.

If your managers are still doing it, it’s time to stop them.

They are driving good people away.

It’s just a matter of time.

3. The Silent Treatment

Good employees always demand to know, “Where do I stand?”

That’s why good communication and feedback are key.

It’s never good to say, “Kathy, if you haven’t heard from me until next year’s evaluation, please know in your heart that you’re a good employee.”

Translation: “Kathy, you’re doing OK, so I’m going to spend all of my time ignoring you and managing the crummy employees.”

Obviously, that’s not an engaging message of value or worth to Kathy. Kathy wants to do more than just be “OK.”

She is going to be completely unfulfilled, and she is going to start finding greener pastures real soon.

4. Treating everyone the same

Sure, consistency can buy morale – at times. And it can buy some degree of legal protection, depending on the situation.

But under the law, equal opportunity never meant equal treatment.

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Manager reality gaps

One study found the gaps between employee expectations and reality were:

- 95% of employees want to analyze tasks with a manager; 41% of employees actually do it.
- 82% want managers to listen; 56% experience it.
- 94% want managers to admit mistakes; 69% said they do.
- 86% want managers to explain decisions; 42% said they do.
- 90% want to be involved in goal development; 60% are.

When a manager treats good and bad employees the same, the wrong message is being sent.

Good employees know who the bad ones are!

So why treat some people differently? Because they did something really special, something good!

When an employee always goes the extra mile, such as by coming in on a Saturday to close a profitable account, it is flat-out wrong and destructive to treat that person the same as everyone else.

Reward them in some way for their behavior – or be prepared to replace them.

The Top 5 Reasons Good Employees Jump Ship ...

Worth repeating: Always strive to treat employees as if they are your best customers!

Let's take a look at some of the top reasons why employees jump ship.

1. Unmet expectations
2. Inappropriate fit for the role
3. Lack of opportunity for growth and development
4. Inadequate recognition and appreciation
5. Insufficient compensation and work/life balance.

Let's take a closer look at each.

1. Unclear Expectations ...

Worth repeating: Good people stop looking for work once they truly discover their jobs!

Understanding and clarifying expectations is key to keeping

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good people. It should start when a prospective employee is first interviewed.

During that initial interview, the candidate should get a detailed description of the job, the work schedule and the type of environment the person can anticipate.

Job priorities, accountability and potential for growth and advancement should also be discussed.

Once a candidate is hired, it's important to provide this information again in various forms, such as during an introductory meeting with a manager and a handful of co-workers.

A "welcome" packet, employee manual and other printed material is helpful to reinforce some of these expectations.

Whether an employee is brand new or a veteran, managers must strive to create an environment where questions are welcomed. Good people need to know they can always ask a manager to clarify expectations.

When good people are asking questions about expectations, it means they are concerned about getting results, too. If a manager doesn't hear anything, it doesn't mean things are rosy. And by the time you do hear the news, it may be too late to fix.

Practice communicating expectations early and often – and relating how those expectations fit into overall organizational goals.

Remember: Good people want to feel they are a part of something special – and "special" things are worth talking about!

2. Inappropriate fit for the role ...

Worth repeating: Don't try to teach a pig to sing; it wastes your time and it annoys the heck out of the pig.

Perhaps more than any other aspect, trait or quality, employee retention hinges on a good job fit.

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When fitting an employee to the job, the first question to ask is: What is the benchmark? What does it take to be a top performer in this position? Then: Which of these characteristics does the employee already have, and which does he/she need training on?

It's all about fitting a square peg into a square hole. But because managers are dealing with people and ever-changing work roles, it's not quite as simple.

A clear job description is essential. So is gaining feedback from the employee on his or her strengths and weaknesses, and then playing to the strengths first. That builds early success and sets the stage for future success.

Another question to ask: Is the job description realistic?

Consider this real-life example: A small, bottled-water company in the mid-Atlantic region is trying to grow. It had some early success using some of its delivery drivers as salespeople to drum up new business at grocery stores and other retail outlets the drivers were already familiar with.

Then the company tried to expand the sales effort by including all drivers. The company offered significant training and a handsome sales commission package. Yet managers were stumped as to why more of the drivers weren't able to succeed in their new roles as salespeople.

Was it a poor fit? It's a fair question to ask.

Remember: You can teach a bear to dance, but it will always dance like a bear.

Creating a good fit is always the manager's top responsibility.

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3. Lack of opportunity for growth and development ...

Worth repeating: The conventional definition of management is getting work done through people. But good management is developing people through work.

Effective growth and development programs for employees can be done in-house, at the manager/supervisor level, without spending a fortune on outside consultants and trainers.

Sure, from time to time outside help is necessary – and effective – for certain kinds of training.

But managers with good track records for keeping high-performing staff have developed in-house, day-to-day growth plans for each employee.

A good plan does not disrupt the workflow; it enhances it.

Here are some ways to do it:

- Identify each employee's strengths and talents, and discuss goals with each person.
- Develop work plans so employees can learn from co-workers and from other departments and managers. Cross-training is essential.
- Leave as many choices as possible in how the work gets done.
- Allow people to complete entire tasks when possible, start to finish. It creates a larger area of learning and a greater sense of accomplishment.
- Acknowledge achievements regularly.
- Provide performance feedback weekly. There should be no surprises for the staff.

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- Share company information regularly so employees feel “in the know.”
- Regularly report on the results of your own department’s work.

4. Inadequate recognition and appreciation ...

Worth repeating: It’s best to be generous with praise – and cautious with criticism.

It’s OK to stop treating everyone the same and instead start putting extra effort into recognizing people whose performance makes a difference!

In fact, if your managers aren’t already doing that, it’s time they did.

Workplace studies have repeatedly shown that too many managers spend too much time trying to raise up poor performers. It’s a natural instinct that should be resisted.

Instead, high morale and productivity follow when managers spend most of their time supporting their top 50% of performers.

It’s true that some poor performers can be motivated when managers recognize their value rather than constantly harping on their negatives.

But for poor performers who don’t respond to sufficient efforts to improve, it’s worth noting that firing bad people keeps good people from jumping ship.

When bad employees are allowed to remain, good ones will start to wonder why they should try so hard if they can slack off and still get paid.

The truly good ones, the ones who are the most productive because they value their professional life, will start looking for another employer that appreciates them.

Employees who do a good job each day view recognition as verification that their performance matters.

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5 essential elements of effective recognition

Recognition programs work best when:

1. All employees are eligible for some type of recognition.
2. They clearly identify what behaviors and actions get rewarded, and what level or standard must be met.
3. Anyone who performs at that level or standard receives the reward.
4. The recognition occurs as close to the performance of the actions as possible.
5. Managers stick to the criteria and avoid "selecting" people to receive rewards. These types of programs smack of favoritism. For instance, it's usually best to avoid "Employee of the Month" style programs because they quickly lose steam. People come to expect someone will be honored simply because it's a new month, and for no other reason.

So, how best to do that?

Along with the **"5 essential elements of effective recognition"** included in the box to the right, another rule of thumb is to give four positive, uplifting comments for every critical comment you might have to make.

Praise should be honest, specific and timely.

Better than nothing: "You did a nice job with the Taylor account."

Better still: "The Taylor people just called. They said you jumped in at the last minute and fixed a problem so that their shipment would go out on time yesterday. That's good heads-up work, and it shows you cared enough to follow up. Because of your conscientiousness and the extra effort you made, I think the Taylor folks will be a cinch to do business with us in the future."

5. Compensation and work/life balance ...

Worth repeating: Change the things you can; accept the things you can't.

It's impossible to have a full discussion about retention without at least touching on the topics of compensation and work/life balance.

The challenge for many managers is they aren't always in a position to significantly impact salary levels or work schedules. Those issues are most often pre-determined.

Suffice it to say that if your organization's salary level for a particular job is significantly below market levels, the bar for your retention battle is significantly higher!

Good people will leave for more money.

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3 biggest reasons that employees leave

Yahoo! HotJobs featured a story titled "The three signs of a miserable job," adapted from a book by the same name. It tells the retention tale from the employee's perspective, which after all is what matters.

1. Anonymity: Employees feel anonymous when managers have little interest in them as people with unique interests. aspirations and lives.
2. Irrelevance: Workers cannot see how their job makes a difference. Every employee needs to know that the work they do impacts someone – a customer, a co-worker, even a supervisor.
3. "Immeasurement": This term describes the inability of employees to assess for themselves their success or contributions. As a result, they often rely on the opinions of others – often a demoralized co-worker – to measure their success.

But that doesn't mean throwing money at people will make them better employees.

A salesperson constantly struggling to make quota, or a customer service rep struggling with punctuality and rudeness, will likely continue to struggle even with a sudden 25% raise.

Money doesn't fix performance problems!

Similarly, not every manager is in a position to make schedule changes that can improve the work/life balance that so many employees desire these days.

New parents have childcare issues. Soccer moms and dads want to free up time to watch their school-aged kids grow up. Empty-nesters trend toward shorter work days and longer weekends.

Then there are the GenX-ers, or so-called millennials. They seem to want everything! They want more collaborative work, and they detest drudgery. Big Four accounting firm PricewaterhouseCoopers now lures GenX-ers with the promise of "no standard hours" because "work isn't the same day to day."

With the average GenX-er staying at his or her first job just 1.6 years, how do you keep up?

Good managers work at it by adjusting the workflow where they can, and clearly explaining the "why" to employees when they can't.

Here's a checklist to use when considering ways to tailor your workforce to accommodate changing lifestyles:

- Determine the core business requirements for your department or area first. What is it you need to achieve?

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- Consult with staff – both managers and employees – on what they want.
- Develop possible flextime strategies and again seek feedback from all affected employees.
- Decide who will be covered by the policies and check to ensure the policies don't unfairly or illegally discriminate.
- Draw up written procedures for implementation and evaluation, including regular reassessment.
- Ensure support from upper management.
- Present the changes in a manner that shows you've taken the lead in adjusting to work/life balances.

Evaluating an employee retention program ...

Worth repeating: It's far more challenging to manage people than to manage processes. Every manager struggles with making people better. So take heart – if you are getting kicked in the seat of the pants, at least it means you're still out front!

Here are some questions to ask, and answer, when evaluating your own employee recognition efforts:

1. Can the physical work environment for employees be improved?
2. Do workers take pride in the company? Why? Why not?
3. Are there employee appreciation programs in place?
4. Do managers know employees on a personal level?
5. Do employees have opportunities to meet with company executives?
6. Are birthdays, marriages, etc. celebrated? Are service milestones celebrated?

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7. Do employees feel involved in business decision-making?
8. Is good and bad company information shared with workers?
9. Do new employees get adequate training and orientation?
10. Who listens to employees' concerns? Do they feel heard?
11. Is there a mentoring program? Is it effective?
12. Are employees provided with effective development and training?

And here are three other key questions to ask employees:

1. Can you tell me our top three goals for this year? (To analyze the level of engagement, people need to be on the same page.)
2. If you were competing against our company, what would you do? (Managers are often surprised to learn that employees know right where the weaknesses are.)
3. What is currently impossible to do that if it were possible would change everything? (This forces people to think is there something different we can do? What drives us crazy and how can we fix it?)

Retention starts with good hiring ...

Worth repeating: To motivate people you have to have the right raw materials. You have to hire candidates who are already inspired, punctual, caring and willing to go the extra mile.

Recruiting better people makes it easier to keep good people.

The interviewers and those who make the final hiring decisions are the gatekeepers of the organization. They should strive to allow only the cream of the crop in the door.

Good hiring is a habit that feeds itself.

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People often join an organization because of the quality of the staff already in place. When that standard starts to slide, it gets noticed and that competitive hiring advantage is lost.

It's important for firms and organizations to inform employees that, as a company, you are on the lookout for exceptional talent.

And it never hurts to let your best people help you locate that talent.

Let's face it: The top talent is probably already employed elsewhere.

Here are three top retention and recruiting strategies firms are using with great success:

1. Alumni List

You may not get a large number of candidates from a pool of former employees, but you can get quality ones.

Many firms keep an "alumni" list of former employees worth checking in on from time to time. Often the best employees are those who left and realize the grass wasn't any greener after all, and their former employer was a better fit.

2. New Employees

When you've found a great new hire and you've made them feel like an essential part of the team, it's likely they're telling friends and former colleagues how great their new job has turned out to be.

In those instances, ask them: "So, is there anyone over at your former company who you would like to see working with us?"

3. Current Employees

Your best source for potential hires is your current staff. To get the best results, organizations need to create a culture where referring quality candidates is valued.

Some employers offer cash bonuses to employees who make good referrals.

But there are other good options.

For instance, imagine a business card with the name of a top employee on the front, the company name, and perhaps a gold star.

On the back of the card it reads, "This card guarantees you an interview with our company should you ever be interested."

Give these cards to a handful of top employees and tell them when they spot somebody out there with exceptional customer service skills, or some other extraordinary talent that would make them a good fit with your team, give that person a card. Guarantee that person an interview.

It's all in the marketing, really!

The business card creates a tremendous first impression. It brings in good candidates, and it reaffirms for the employee who handed out the card that his or her opinion matters. That keeps them feeling essential.

Retention tactics that work ...

Worth repeating: Employees want to feel their leaders know where they're going, since employees have to follow that path, too.

An organization, through its managers, must create the atmosphere for attracting and keeping good people.

What follows is a series of real-life examples of actual companies that have made a difference through retention of good employees.

Find good people; keep them happy

A Cincinnati company focused on finding good employees and making them happy.

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The janitorial firm offered all employees three weeks vacation to start. It also helped them to buy a house, and it offered coaching and up to a $2,500 in assistance toward a down payment or closing costs.

Staff mechanics also fixed employee vehicles, with the cost deducted from their paychecks. The company taught Spanish employees how to speak English, and everyone else how to speak Spanish.

The payoff: The company grew from 10 people to 300 in a decade and won a Small Business Award from the Cincinnati Area Chamber of Commerce.

Employees first, customers second!

Wegmans Food Markets, regional supermarket chain headquartered in Rochester, NY, embraces a simple, counter-intuitive, philosophy: “Employees first, customers second.”

It’s served the company well.

Wegmans openly pushes a culture and company where people want to work. Company executives and managers make frequent store visits, shaking hands with thousands of employees. They share in countless personal stories, both happy and heartbreaking, offering supervisors encouragement and accolades. During the holidays, this tradition intensifies with employees and executives sometimes caroling together in Wegmans’ unusually spacious aisles.

Result: In an industry racked by sky-high turnover, Wegmans has enjoyed a much lower turnover rate than the industry average, according to the Food Marketing Institute.

A reputation that says it all

Money isn’t everything.

Griffin Hospital, a relatively small medical center in Derby, CT, paid

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salaries 5% to 7% lower than hospitals in its area. So why did 5,100 people apply for just 160 openings in a year?

Simply put, it was Griffin's top-notch reputation for patient care. Good people want to work – and stay put – where the work is excellent.

Griffin regularly reported superior clinical outcomes and exceptional efficiency in patient care.

It developed a culture termed "Radical Loving Care," which is characterized by an exceptional focus on caring for caregivers (employees), who in turn do an extraordinary job caring for patients.

Corporate culture comes first

Leadership sets the stage for the culture an organization develops.

And for the W.L. Gore Co., of Newark, DE, it's a culture that serves them well.

Management is flat at Gore Co., the famous maker of Gore-Tex fabrics.

Instead of a chain of command, employees work in teams and practice four guiding principles:

- Fairness to each other and everyone with whom we come in contact.
- Freedom to encourage, help and allow other associates to grow in knowledge, skill and scope of responsibility.
- The ability to make one's own commitments and keep them.
- Consultation with other associates before undertaking actions that could impact the reputation of the company.

Make people part of something special

When's the last time you went to a bank that offered its own blend of coffee? Can you go to your bank's website and download music

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from local artists?

If your bank was Umpqua Bank, you could. The Oregon-based bank has dared to be different to both its customers – and its employees. And it's done so with great success.

Umpqua bills itself not as a financial institution, but "a lifestyle." The branch offices have extraordinary lobbies set up to host sewing groups, yoga classes, movie buffs, personal safety training, etc.

So, how does retention fit in?

Employees are encouraged to be a crucial part of what Umpqua calls its "community hub." Workers get special training in customer services through a program offered by the Ritz-Carlton hotel chain.

Each employee can also get paid for up to 40 hours a year for doing community volunteering. In the end, the employees are as special as the customers, and that pays dividends in the long run.

Selective hiring – then an all-out effort to keep them

ENGEO, Inc., a San Ramon, CA, engineering firm, is never in a rush to hire. Instead, it uses a thorough and well-planned hiring process to find the best and the brightest.

The company must blend the skills of engineers, geologists and other scientists. That takes team work and lots of cross-training, so the firm pitches in with tuition reimbursement.

It hosts regular noon-time technical discussions with industry experts, and lunch is provided.

For fun and team-building, employees also take part in talent shows, bowling parties, BBQs, golf outings, ski trips, white-water rafting, deep-sea fishing, picnics and other events.

Still not enough? Along with competitive pay, employee benefits include 401(k), medical, dental, vision and life insurance, employee stock ownership plan, health club reimbursement, employee referral program, onsite training and more.

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