

The turnover solution

Why do good people leave? If you ask the boss why someone left, the most popular answer usually is "she/he left for more money." If you ask the employee why she/he quit, more often than not the answer is: "I just couldn't take my boss anymore."

In all the national surveys I have read over the years, money is important, but it is not the most important thing. Appreciation, positive contribution, and opportunity for growth often outrank money in importance. To prove the point, haven't you met someone who knew he/she could make a bit more money elsewhere, but really liked his/her current job?

When I think about the best jobs I have had in the past, I remember good pay, challenging work and interesting variety. I also remember a boss who kept me interested and focused.

People come to your company thinking about pay, benefits and opportunity, but they leave for these and many other reasons. Few companies can provide outstanding pay, yet you must at least provide competitive pay. Once you provide competitive compensations, the rest is really up to the boss. The company creates the systems, and the boss helps people fit and function within the various processes.

A mismatch of values will ultimately send people for the door. The boss should have solid values that are in alignment with those of the company. Yet the employee can have admirable yet different values. For example, if a core value of the boss is efficient speed to completion but the employee focuses on thorough detailing, there can be friction - and friction can lead to sparks and fire.

I once found a quote I will never forget: "We hired workers but human beings came instead." It would be nice if workers were more robotic - programmable and predictable. But people are all so different. So what if some of them quit here and there? That's life.

Turnover is expensive

Turnover is expensive to your company. Most studies have concluded the impact to the organization is 00 - 200% of the employee's salary. Though it is hard to quantify the cost, just imagine a new employee making a very serious mistake. Losing good employees is costly because of:

- Disruption to business
- Loss of company knowledge
- Cost to recruit and hire
- Cost to train a new employee
- Mistakes due to lack of experience.

Now couple this with the fact that some experts are predicting a serious shortage of skilled labor and a lot more job-hopping. A recent survey by KPMG concluded that the average person could expect to have 14 jobs over his/her career. If we work for 45, that's only three years on each job.

These kinds of numbers should cause serious concern in every executive suite.

How do we keep the good ones?

Success-minded people are growth people. They like to learn; they like to produce. If these people are not allowed to learn, grow and see productive results, they will leave for greener pastures.

Start by hiring the right people. Too often we are in a hurry to fill the position and get on to other important business. The old maxim: 'Hire slow; fire fast' is a really good one.

- Here are three steps to good hiring:
- Interview the person on the phone (after you receive the resume of course). If it is positive, invite him/her in for an interview.
- Interview the candidate in person. Also arrange for the candidate to interview with a few other key employees.
- Have a casual lunch interview. Continue interviewing and encourage lots of questions. At this point, if you cannot say yes, the answer is no.

After hiring, realize that most people really only excel at 2 or 3 things. The key for management is to figure out what these are, put the employee in the right place, and help him/her develop these 2 or 3 things.

The decision to leave a company is rarely an event. It is normally a process which takes place over months. Management must stay in tune with the employees and discover dissatisfaction early in the process.

Some of the ways to find the level of employee satisfaction include:

- Employee surveys
- 360 degree evaluations
- Attendance/attitude
- 1-on-1 coaching and feedback.

Some ways to improve employee satisfaction include:

- Flex hours
- Verbal appreciation
- Rewards and recognition
- Career path planning
- Advancement opportunities
- Challenging work
- Incentives
- Fair pay
- Bonuses/Ownership
- Off the job training and education
- Support of a person's pursuits and hobbies
- Etc.

It is 10 times easier to keep a truly good employee than to find a replacement. Stay in tune with each employee. ❖

