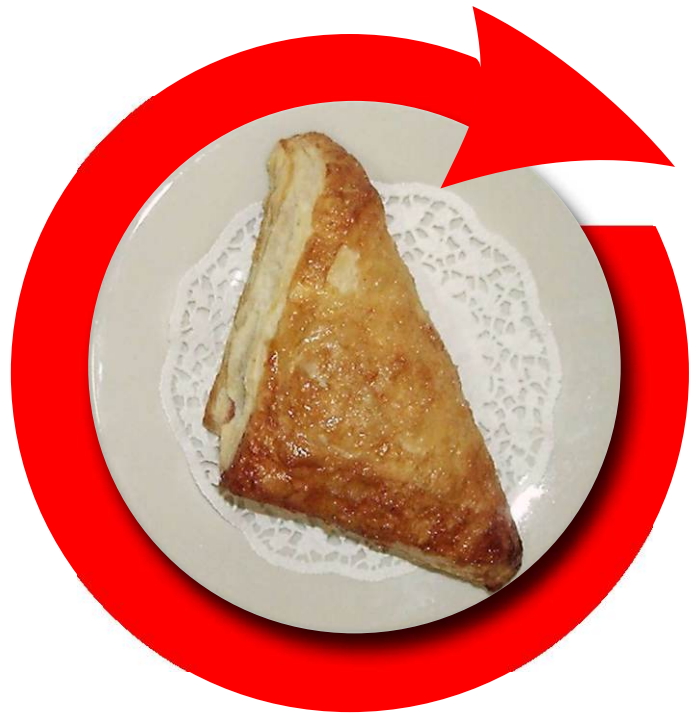


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Keeping good employees from leaving

John Franklin Graham

The Turn Over Solution

by John Franklin Graham

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Introduction

This book is about getting good employees to stay with your company. The loss of experienced employees can cost a company dearly. Many studies have been done and the news is always bad. The most important conclusion is that it can be avoided if handled properly. The investment required to keep valuable employees is a wise investment. Remember it starts with the hiring process.

This book is not about firing deadbeats or slugs. Although I am a big fan of turning slugs and deadbeats into productive employees, sometimes you just have to make some tough decisions and release employees who do not perform. I highly advise you to be up-to-date on employment law, before releasing an employee. If it is done improperly, it can be very costly.

The Turnover Story

Bill worked at the turnover factory. His company made turnovers. Lots of turnovers. . . apple, cherry and blueberry. Boxes and boxes left everyday in big trucks, all headed for the large warehouse superstores and large grocery chains.

Bill was a Maintenance Engineer. For nine years now, his job was to oversee regular preventive maintenance and repairs on the big machines that mixed the dough and mixed the fruit filling. He also took care of all the machines that rolled the dough, filled the dough and folded the dough before going into the ovens. The packaging machines were his responsibility, too. Bill was so valuable that if he was gone more than a day or two, machines started going off-line and breaking. Management panicked if he took more than three consistent days of vacation.

Bill liked the fact that he was so important to the process, but got tired of 'always being on call.' He wanted an extra person hired so he could train him or her. But management would always say the money wasn't available. Bill didn't hate his job; he was just bored and burned out. He was paid an okay salary for an engineer. Yet, he felt abused by the salary because he had to work so much overtime. He regularly dropped in on Saturday's for at least an hour to ensure everything was running okay. Thank God the company was closed on Sunday!

Bill loved to hunt and fish, but just never had time because of his job. Maggie, his wife, was supportive but would subtly try to remind him about other career opportunities. Her dad was getting older and needed someone to take the helm of his 10 employee small and medium boat repair business back in Maggie's hometown just outside of Seattle. He was hoping to retire in the next 6 or 7 years. Maggie's dad was also an engineer and felt his replacement needed an engineering degree. Bill really didn't want to move and felt better about making his own career path. But as the burnout got worse, Seattle looked better.

Now 32 years old, Maggie wanted to start a family. Bill was 38 and wanted the same. They really tried for several years without luck. Maggie went to several specialists. Finally, the problem was discovered and a solution became available. However, the solution cost over \$30,000 and they didn't have that kind of money and insurance would not cover it. They also had considerable credit card debt. Still, Bill dreamed of having a son to go hunting and fishing with one day. He discussed the possibility of getting financial assistance from the company. But, management said, "We are not in the people business, we are in the turnover business."

This was the last straw. He felt more and more like a company asset to be milked for all it is worth and later discarded. He discussed Seattle seriously with Maggie and her dad. It was time. On March 11th he turned in his official resignation to be effective May 1st. To his surprised, management was indifferent. He could not believe their cavalier reaction.

On March 19, he found out why. The turnover division of the company had been sold to an investor. It had all been keep extremely quiet. The new president was also the wealthy investor that put everything he had into

buying the turnover division of the company. He moved in on April 1st to start the executive transition. He was very personable and nothing like the cold-hearted president of the past. He interviewed all of the 65 employees including Bill. He was very happy to have such a valuable employee like Bill doing such an important job for the company.

Two days later the president called Bill at home at 8:30 after dinner. He was in a panic. "Bill, I just learned that you have officially turned in your resignation."

"Yes, this is correct," said Bill, "I am taking a position as second in command for a small company in Seattle. We will probably move in June when the weather is best."

"Bill, wait, let's talk. Is there any way I can convince you to stay? I will do most anything to keep you. You name your price, anything you want." Bill said, "I don't know, I am really sick of the place and I am ready for a fresh start."

"Bill, I have to go to Chicago in the morning and I will be back in the office on Monday morning. Please don't say no now, until you have given it some more time. You can make a fresh start here. I need you desperately. Please come see me on Monday."

On Monday, Bill went to visit the president. He told him that he would stay for 9 more months based on agreement to the following conditions:

- An immediate 25% raise
- He gets every other Friday off
- He also wanted to work flex hours where he comes in at 6am and gets off at 3pm
- The company hires another Maintenance Engineer
- He is allowed to start a Hunting and Fishing club at work that meets every 2nd Thursday of the month from 11am to 1pm
- The company makes personal budgeting and debt reduction classes available to the employees
- The company would pay the tuition for Bill to become certified in fire and rescue so he could be part of the local Volunteer Fire Department.
- The company officially implements a recognition program for employee contributions
- And lastly, Bill demanded to be treated with dignity and respect

After considerable discussion and almost no compromise, the president shook Bills hand and said welcome back on board. The president's secretary put it all in writing and the president signed it. Bill would stay 9 more months.

Bill had a new lease on life. His first task was to recruit a new young graduating engineer. He hired a young lady who was born and raised in West Africa. She was not only bright; she had tons of interesting stories from her homeland. She was just what the company needed.

With less pressure and some assistance, Bill started writing procedures to document all the critical steps for machine maintenance - something that should have been done years ago.

Now that Bill left at 3pm, he began doing a little fishing with the longer summer afternoons. He also got the Hunting and Fishing Club started and about 25 people regularly attended. There was a lot of interest and excitement. Lots of good information was being shared about the upcoming fall hunting season.

When the hunting season finally began, the extra Friday's off left plenty of time for hunting and other things. Bill couldn't believe how well things were going. It was like he was working at a different company! The people seemed so alive and content with the company. Bill realized that he really liked his job now. He was also having a blast learning all the new fire and rescue techniques in the Wednesday night classes (funded by the company).

Along with the debt management classes and the 25% salary increase, the credit card debts were diminishing quickly.

Bill went for a hike one Saturday morning in November with Maggie. They both liked the outdoors. Bill said, "I am really feeling good about my life now. I now realize just how miserable I was before the new president bought the company."

"I think we are both happier now," she responded.

"I kind of wish I had not told your father that we were moving to Seattle. I mean, now I'm just not sure I want to go."

"I'm kind of wanting to stay here now that things are going so well," she agreed.

"I can't believe how much difference your job can make in your entire life. Maybe because it is such a big part of your life. I'm going to have to give the president an answer about Seattle pretty soon," said Bill. "He told me he would be happy if I stayed with the company."

"Well I have some more good news and I don't know how it will effect your decision with the company, but in about 9 more months, you are going to be a father."

Bill was elated. He went to visit the president on Monday and asked to stay with the company on one condition - that everything stays the way it is now. The president whole heartily agreed, but with one more condition. He asked Bill to seriously consider accepting a promotion to Engineering Manager.

Take This Job and Shove It

(Why people quit)

Many national "Why People Quit" surveys have been conducted over the years, usually with very similar results. The top responses for 'reasons for quitting' routinely surveyed are:

- Lack of Appreciation
- Problems with my immediate supervisor/manager/boss
- No opportunity for advancement
- Poor work environment

Wait a minute! Where is money? Isn't that the real reason we work? Yes, but it turns out that people have a lot more expectations once they show up. Some people do quit to pursue more money, but it is not among the most popular reasons.

If you step back and analyze this a little, you realize the top reasons above are all people reasons - the interaction with people. If the people interactions are not meeting your expectations, you soon begin to develop a strong desire

to remove yourself from the situation. So when we say *we choose to quit a job*, what we are really saying, is that we choose to quit "the interaction with the people on that job."

Quitting a job for financial reasons isn't as popular as many people think. Most people would not consider changing a job for only a 10% increase. It is just too much trouble and it's risky. After all, this is the job you know. If offered a 25% increase, you would have the attention of most people.

To prove that money is not on the top of the desire list, look at the flipside. There are people who love their jobs, the work, the people, their boss, etc. When offered a significant raise to leave the company, they think about it only briefly and then flat out refuse the offer.

Bottom line: Most people quit their job because of other people.

An Answer to My Prayers

The best job I have ever had is one that:

- Paid pretty well
- Challenged me
- Provided lots of variety

Based on this I will use my one data point (and lots of research) and conclude that most people like adequate pay, variety and a chance to learn through progressive challenges.

Pay

The problem with this, is that pay is relative and perception is reality. Everybody knows of someone making more than them and subtly wishes to make more. I've overheard some employees state, " I don't get paid to work that hard." As you know, pay is not just about how hard your job is to complete. It is supply and demand. How hard is it to replace you? This is based on the training to get you where you are and the experience in your head. Brain surgeons are not looking in the want ads for jobs. As for experience, most companies continue to ratchet up salaries (within limits) to hopefully keep the experienced talent from looking elsewhere.

Low pay can de-motivate because people feel the injustice between themselves and other employees or employees at other companies. So make sure the pay is adequate for the job. High pay does not necessarily motivate. People that suddenly receive a big step in pay tend to step up their house and car notes right along with the higher pay. Within a short time, this is just the new norm.

The reason pay is kept confidential is this formula:

$$\frac{\text{My Output (\$)}}{\text{My Input (work)}} = \frac{\text{Your Output (\$)}}{\text{Your Input (work)}}$$

Again, perception is reality. This equation must be perceived to be in balance or disharmony occurs. If I find out that you make twice as much as me, I will be appalled, because I know your input is not twice my input (or so I believe). So I seek to re-balance the equation. I first complain about the inequity to my boss and ask for my pay to go up. When that doesn't work, I reduce my work input in an effort to re-balance the equation and make things fair around here. If I am not allowed to re-balance the equation in some manner, the disharmony will bother me to the point that I will eventually leave the equation.

Having said all of this, you must reward true performance. Top performers are not only looking around and making internal comparisons, they are looking around the industry. Don't let the grass get too green on the other side of the fence. Top talent must feel growth. They must feel that they are being developed. When the growth stops, they start looking around.

Challenge and Variety

Everyone enjoys stimulating work. The problem is, that many jobs have a healthy dose of repetition. Even project work that keeps changing has its monotony. If possible, find a way to make every job a little challenging and mentally stimulating.

Most jobs don't have a lot of variety, yet we know variety is the spice of life! The fact that we write job descriptions and put people in these positions, is to benefit from expertise developed from repetition. Some people love outside sales just for the change of scenery. If it is possible, let people work on

different products or services for different customers in different locations. Find anything different.

Bottom line: Make it a company policy that salaries are not to be discussed.

In the Beginning

Getting the right people on board in the first place makes the retention process so much easier. In Jim Collins book, **Good to Great**, he says, "Get the right people on the bus." This is very important and I think everyone will agree with the concept. But it is a lot easier to say it than to make it happen. It's like dating. We put on our best face. Then later, usually too much later, the real individual comes out. There is a quote I read somewhere that says: "*We hired workers but human beings came instead.*"

People are individuals with individual uniqueness, that is not all desirable. But it is who we are and we can't hide it for long. And it is not fair or realistic to ask someone to change who they are as a person. We would be asking someone to change his or her history. Yet who we are will determine how well we fit into a position description. Don't hammer square pegs into round holes. I like to use personality profile tests to help with this.

Here are the fast rules of hiring:

1. Don't Discriminate
2. Don't Violate Employment Law
3. Know your culture and share it with a potential hire
4. Have some employees interview the candidate and share the culture
5. Share the position description with the candidate
6. Check background, job history, and references
7. Have a 2nd and 3rd interview in an informal restaurant or coffee shop
8. Don't go by gut feel alone to say yes. Trust your gut feel if it is saying no.
9. Find out what the candidate wants to do after 3 years at this job
10. Develop a formal orientation that goes far beyond the HR department (Think like the Marines: Simper Fi) Have a sponsor and/or a buddy program. Have the candidate talk with longtime good performing employees to discuss why they have stayed so long.

Remember People come to work for you for:

- Pay (competitive)
- Benefits
- Opportunity

But they leave for lack of these and many other reasons.

Share your company's vision and mission with candidates to ensure there is significant overlap in where the company is going and where the individual wants to go. Everyone wants to be on a winning team. Show him or her the score. New employees tend to be naturally motivated. Use the orientation and indoctrination process to keep the momentum.

Bottom line: Take your time hiring a new employee. It is too important to rush this decision. A bad fit hurts everyone.

Put Salt on the Slugs

Slug = an employee that works at getting out of work and does not adequately pull his or her weight, causing others to pick up the slack.

Someone told me if you put salt on a garden slug they will dissolve. I believe in giving everyone a fair chance and then another. But when someone continually refuses to satisfy his or her job description requirements, it is time for a review. Work with them and then work with them. Also, tell them that we have 6 months to make this work or we will have to make you available to industry. If the person does not turn around, it is time to turn them away.

Top performers do not stay or at least don't stay productive in an environment where slugs are protected.

Bottom line: Tolerance of poor performance is a de-motivator to those that are motivated to work hard.

All I Ever Do is Work

If you take away the hours we sleep and look at what percentage of our waking hours are spent working to produce income, it is 70 to 80% for most people. That is a lot of your life. No wonder when we go to a party and meet people, they ask, what do you do? This is because what you spend 80% of your waking hours doing, defines who you are as a person. Work gives us an identity and that's a good thing.

So if I spend most of my life working, I want it to be meaningful work. I want to feel that I make a difference and that it is important. If you are the supervisor, manager, superior, etc. make sure that you let employees know:

- What they do is important and why
- Who benefits from the product or service
(most never see the end customer)
- They are appreciated

Employees get paid in two ways: paycheck and experience. Make sure this is a good experience.

Also, periodically remind employees of the various company benefits they receive in addition to their paychecks and some idea of what percent over payroll it costs the company. Don't rub it in, sprinkle it lightly.

You may have heard the saying: **Employee satisfaction is a prerequisite to customer satisfaction.** It is true, unhappy employees do not create happy customers. However, don't just aim for satisfied employees, try to create loyal employees. Loyal employees are the ones that stay. You create loyalty by giving employees more than they ever expected from a job. Create a positive productive culture. This is not the HR Departments job, unless of course, you work in HR.

Listen to employee ideas on how to improve the processes. Work on the various business processes to streamline each process and help reduce employee stress and frustration.

Bottom line: The employees are giving you most of their lives, what are you giving them?

Baby I'm Bored (Create Excitement)

It is very easy for the repetitive parts, which all jobs have, to create monotony and boredom. If you really get to know your employees and develop trust, you can ask them what they really get excited about. The answer is rarely: work. It is usually something to do with family, hobbies, or their volunteer work. Imagine that - getting excited about work where you volunteer your time and you don't get paid. I like to call this "**finding their positive hot button.**"

How will you know when you find someone's hot button? You will know because he or she will light up and start talking about the concept. For me, you could ask me a question about guitars and I will light up and gladly take 20 minutes to talk about my hobby.

Now imagine if you could identify each employee's positive hot button and then come up with a creative way to incorporate these into his or her 'work experience.' Let's test this idea. If I create trust and identify 5 hot buttons from 5 different employees they might be:

- Playing guitar
- Shopping
- Making queso and salsa dip
- Fly Fishing
- Pleasure Reading

What could an employer do to incorporate this into the job experience? Here are some examples:

- Offer after-work guitar lessons to other employees
- Form a shopping club that meets every two weeks during lunch to share hot tips, coupons, info on sales, etc.
- Pay this person to prepare queso and salsa dip gift baskets for new customers
- Form an after-work fishing club that meets once per month to plan fishing trips, invite local customers
- Form a readers group that meets at lunch once per month to share info on good books and have one member give a book review each meeting

Employers that are able to bring the positive hot button experiences into and around the work experience can greatly reduce turnover. When someone is

offered a job elsewhere, they will think about losing this and most likely refuse to leave.

Bottom line: Everyone wants something to be excited about.

It's About Me

(Take the Time to Ask)

Take the time to ask every employee what he or she would like to do in his or her career. Where do they want to be in 5 years? Work to create an environment where employees can reach their own potential. You must first create trust and an atmosphere of openness and honesty. Some people will just tell you, "I want to know that I have a job." Others will give you some surprising challenges. Help each employee go where he or she wants to go and you will have a much more productive employee, even if he or she stays for only 4 more years.

If an employee tells you she wants to be a Certified Public Accountant working for an accounting firm, honor the desire, even if you are running a manufacturing company. Sit down and work out a plan with her. What can you do to help her make this dream come true? Make a 5 year plan that includes completing her education requirements, as well as moving her around in the various accounting and finance jobs to ensure she gains the most experience possible. Then after the five years, she should leave and seek employment with an accounting firm. Document the plan and put it in her employment folder (for the next manager to see).

The result will be a very productive employee for the next 4 or 5 years who may like it so much here that she just doesn't want to leave and makes other plans to stay. You are both the winner.

Create a culture that employees brag about to others in the community and you will attract top talent. You want past employees that have moved up in the world to say they are really glad they worked for your company.

Bottom line: We are known by our alumni.

A Piece of the Pie

Employees take a different look at leaving the company when they own a piece of the company either through a stock plan or out right ownership percentage.

For smaller companies, giving a percentage of ownership may be required to attract and keep top talents. For larger companies, periodic awards of common shares go a long way. Now the employees have a vested interest in the market value of the company.

Bottom line: How serious are you about keeping this employee?

Some Final Comments

Most people have to work somewhere. Why should they choose your company over another? Many employees accept jobs with the attitude that "I'll try this for awhile and if it doesn't work, hey, I was looking for a job when I found this one."

Your job is to create something unique and special about this place of employment. Then make the employees realize just how unique and special it is compared to the other available employment opportunities. Allow people to customize their job and surroundings a little bit.

Employees need regular communication with management. Make sure this is happening. I recommend that all employees at all levels in the company have a direct connection to at least one other superior (by assignment) besides his or her own 'boss.' This allows the employee another resource to get information, share ideas and to vent if necessary. The employee will feel more connected and connected employees stay connected to the company. This will also help senior management find and develop leadership potential at all levels in the company.

Bottom line: We don't need leadership at the top, we need leadership everywhere.

About the author

John Graham has a Mechanical Engineering Degree from USL in Lafayette, Louisiana and an MBA from the University of Houston, Executive MBA Program. After various positions in the engineering discipline, including sales, in 1993 John formed Frontline Resources, Inc., a Houston Based consulting firm where he is currently the president. John is also currently the Chief Operating Officer of Pipeline Inspection Company, based in Houston and selling products worldwide.



His book, **I Want a Better Life - Steps to the Next Level**, is a step-by-step process for anyone to improve their lives. It is built around the concept that "Life gets better when you get better." With this inspirational book and a solid plan before you, you will have the confidence to make the changes you truly desire.

John Franklin Graham speaks and consults on topics such as: *I Want a Better Life, The Profit Strategy, 3D Leverage Model, 5 Factors of Influence, How to be a Successful Consultant and Moving Executives to the Next Level of Success*

John will tailor each presentation to focus on the specific needs of each client audience based on pre-speech interviews with key individuals from the audience group. Call to discuss availability for your event, to schedule a speaking engagement, consultation or training seminar.

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