



Close Those Floodgates!

Put a plan into place to improve retention

By **David G. Jensen**
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THE SUNDAY PAPER HAS JUST LANDED on kitchen tables all over the country. Casual job seekers, coffee in hand, pick out the employment section and start browsing through the ads. Thousands of others surf the Internet, landing at websites such as Monster or Adsumo. The more aggressive among them pick up the phone to ask their friends and acquaintances if they know of any open positions.

The job market is *always* alive with “lookers.” If you are a supervisor or manager, perhaps you’ve asked yourself how many of these are from your company. If so, don’t make the same mistake that many chief executive officers do when they assume that if 10% of their people are in the job market, it is the bottom 10%. Mixed in with those whom you wouldn’t mind losing are a few gems: employees you will really miss!

Is there a cure for this employee turnover? Perhaps not, but you can sure improve the odds.

Why Do Good People Leave?

I remember when I left a job I had been in for a decade. It was a company in which I had grown from a college grad to a young manager, and there were several reasons why I was receptive to that recruiter’s phone call. Oddly, my boss and the CEO never knew those reasons. Despite exit interviews in which I was fairly direct, management felt I left because I “needed a change.”

Think about the reasons you’ve assigned to the departures of your best people. Do you recall that Janice “needed a change,” or that Ashok simply “negotiated a better salary”? In reality, while these reasons do sometimes explain departures, they generally aren’t driving the top performers. While reading a new book about the topic, I recently discovered that there are seven areas that companies need to examine closely in order to close those floodgates.

While there is no organization that has a 100% retention rate, there are indeed companies that have made a difference in the number of people leaving their firms. They’ve done so by being proactive—by recognizing in advance the reasons for staff departure and taking action.

Hidden Reasons

In *The 7 Hidden Reasons Employees Leave*, by Leigh Branham (Amacom, 2005), the author describes these seven reasons and then supports them with such detail that I was convinced this book was written with the Biotechnology and Pharma industries in mind. In particular, the startup company’s need for developing retention programs is very clearly addressed.

As a headhunter, I’ve listened for years to candidates tell me

about their frustrations and concerns with their employers. In these conversations, it was clear that higher compensation wasn’t always the key to attracting the better candidates. For a recruiter, success generally lies in the identification of the *real* motive behind a person’s potential interest in leaving their employer.

Interested in recruiter-proofing your organization? If so, author Branham has done all the hard work for you in this book. These hidden agendas, those that recruiters work so hard to uncover, are laid out for the reader—as is a plan to eliminate them forever, while keeping top performers happy and productive on the job.

Here are Branham’s seven reasons, along with my commentary about the application of these ideas into our industry:

- 1) **The job or workplace was not as expected:** This is often the reason behind those departures that happen within a year or two of the employee’s start date. In fact, it could be the number one reason that people change jobs. Firms that recognize this will spend more time identifying the candidate’s expectations during the interview, while making certain that no promises are made that can’t be kept. Be direct and open about the reality of the job during that dialogue. It is better to divulge the truth about a job beforehand; a lost candidate is far easier on the company than a lost employee.
- 2) **A mismatch between the job and person:** Research has shown that more 80% of workers feel that they do not use their strengths on a daily basis. This problem can often be traced to management’s belief that employees are simply interchangeable parts that can be used for any job that is at hand. Leigh Branham suggests that companies develop a “passion for matching,” in which managers spend more time determining the fit with less pressure to fill open jobs. It is vital for managers to get a sense of what strengths an employee most values (those they can back up with results) and then to make certain these skills are put to use in the company.
- 3) **Too little coaching and feedback:** In order to stay motivated and engaged, your people must know that they are on the right track, through regular feedback mechanisms and from bosses who utilize something more

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than a "hands off" leadership style. Research has shown that only 35% of those employees who are considered highly talented feel their companies tell them openly and candidly where they stand. Have you sat down with your people lately to give them guidance and tell them how they are doing?

- 4) **Too few growth and advancement opportunities:** Even in a relatively "flat" organization, employees who perform well should achieve career growth, recognition and lots of self-satisfaction. Oftentimes, employees leave organizations because they don't clearly see what the career path looks like ahead of them. It is important for managers, and for Human Resources, to make clear how career paths work in the organization, and to illuminate hot issues such as company talent-need forecasts.
- 5) **Feeling devalued and unrecognized:** Satisfaction and recognition-based reward systems can make a big impact in this area. Research done by the Saratoga Institute determined that in a healthy job market, a pay increase of 5% is all that it takes to attract an unhappy employee, but in that same market it takes an increase of 20% to attract the interest of an employee who is happy on the job. (Still, no more than 12% of staff departures are actually due to pay issues.) For my dollar, I'd invest in programs that increase job satisfaction.
- 6) **Stress from overwork and work/life imbalance:** In our industry, stress can really pile on as a result of the hours that employees work and the terrific pressure for deadlines. More and more companies are developing programs that improve the work/life balance of their people. They realize that this brings not only the obvious health and hap-

piness benefits, but also a great reduction in turnover. More than 70% of employees believe that they do not have a healthy balance between work and the rest of their lives.

- 7) **Loss of trust and confidence in senior leaders:** As a result of the corporate financial scandals of late, more than 82% of Americans believe that company executives help themselves at the expense of their companies. Employees often experience this loss of trust in management because of poor communication from the top. Your people want to know if they can trust management to get the company where it needs to be—and whether they can trust what management says and does. A good internal communications program can solve much of this problem.

Company Loyalty or Situational Loyalty

My father, a 40-year veteran of one employer, once asked me, "Where did the concept of company loyalty go?" Downsizings had become the order of the day for his firm and so many others, and he was continually frustrated by attitudes from his team of young engineers as well as from top management. Yes, the whole concept of loyalty has sure undergone change.

One of my friends at Drake Beam & Morin describes the modern concept of loyalty: "What we see nowadays in the biotech or pharmaceutical company is not the company flag waving," says Prue Hoppin of the D.C. branch of this outplacement firm. "Instead, it is what we call 'situational loyalty,' where people are held together by team or project loyalties, perhaps fostered by group leaders and not by company presidents."

If you are a supervisor or manager, this is your time to shine. Build your department into a leak-proof, loyal organization and you'll increase your own job satisfaction while saving your company thousands of dollars in turnover costs and new hires. ■