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Retaining Business Means Retaining Staff

Company managers and decision makers know there is nothing more frustrating than discovering their client is no longer with the organization they represented. The trust, time and money spent sharing business strategies and plans have evaporated. "If this occurs on an ongoing basis, the company's clients and partners are left with an impression that the organization is unstable and badly planned and the top leaders are not focused on its' critical business issues. Employees are the people that make a business work." says Tracy Griffin, the Strategic HR Consultant with Drake International, a global provider of business consulting and implementation solutions. There will be lost interest in pursuing further investments or partnerships if employees are not looked after.

High turnover is becoming a problem for many companies who are unable to keep their best employees. In a competitive market, competition for star players is tough and it is imperative that companies realize the value of each employee to their bottom line. In fact, HR managers estimate that it can take anywhere between 150 to 250% of a departing employee's salary to replace them when costs such as recruitment, training, lost productivity and lost sales are taken into account. "Time, stress and morale are the biggest unforeseen costs to an organization when losing employees," notes Tracy Griffin. Factor in the impact on present employees such as increased workloads, backlogs and slow productivity, and the costs of turnover are manifold.

Yet, retention can always be improved after the reasons for increased turnover are sought. "Due to the significant past downsizings and employee reductions, workloads are increasing and management support is decreasing which leaves the employee out of balance," explains Tracy Griffin. "Balance is key for an employee. If there is a misalignment between what an employee values such as flexible work hours and empowerment, then the employee will not feel respected and begin looking for other avenues." Add to this ever-stressed bosses, lack of incentives and fear of reductions and managers are likely able to get to the root of employee turnover.

In reaction, companies are adopting complex retention strategies that are both broad and tailored to the workplace. "Often, the best way to source strategies for retention are external HR consulting firms that specialize on the whole professional life cycle of the employee," says Tracy Griffin. Surprisingly, these programs are not necessarily about increased finances and often stretch to combine personal and professional elements with the hope to keep employees as long as possible. In fact, retention starts early. Hiring people should be done with the intention of keeping them for a long time. Profiling them against the company's top performers ensures their proper fit into the company and increases the likelihood of longevity. Ongoing training helps them adjust to the company over a comfortable timeframe while performance reviews and employee surveys help them understand what they do well or should improve and increase vital communication necessary for a sense of inclusion. Some companies take these reviews one step further and help the employee create a career plan which encourages them to stay, by involving the company in the employee's future direction. Overall, these plans attempt to boost employee morale which is essential in both keeping the employee and improving their performance.

Of course, this is no longer a culture where a job lasts a lifetime and it is impossible to keep a good employee forever. Yet, a manager can still learn from an exiting employee through interviews which address issues relating to the individual's role and their reasons for leaving. The results of which can be used to reconsider the job description and further refine the position profile. They also allow the employer to gauge the present atmosphere within the company and make changes where necessary in order to avoid possible upcoming turnover issues.

The aim of retention strategies is essentially to minimize the loss. It is generally agreed that reducing employee turnover is a strategic and vital issue, beneficial to any company's bottom line. "For companies who put retention first and have low turnover, the company is creating the impression that the top leaders are in balance and in tune with the organization's needs that people matter," concludes Tracy Griffin.

An insightful webinar presentation on this topic will take place on Wednesday November 24th from 12 - 1 p.m. EST. For further information, please contact Tracy Griffin, Strategic HR Consultant at Drake International, 79 Wellington St. West, Suite 2400, TD Waterhouse Tower, Toronto, Ontario: Phone: (416) 216-1000.

Contact Drake for further information on how our innovative solutions can create a successful retention program that will reduce your staff turnover. Call 1 800 GO DRAKE or visit: www.drakeintl.com