

Staff retention: keeping the people that keep you in business

By Nathan Chanesman



“Retention is challenging today due to the number of factors particularly in an ageing workforce and a growing imbalance in the supply and demand of qualified personnel. In addition, today’s workers have different expectations about work-life balance...”

With unemployment at low levels, it’s getting harder to find good staff. Top employers are managing their staff better, implementing retention programs to hang on to those that are critical to their success and are doing what ever it takes to ensure that the people they employ, stay.

Why people stay

People stay with an employer for many differing reason including job security, work culture, recognition, flexible hours, a sense of belonging, good conditions and pay.

Major motivations of the staying are:

Pride in the business. People want to work for a well-managed business headed by skilled leaders.

A respected manager. People are more likely to stay if they have a manager whom they respect and who is supportive of them.

Fair reward. People want to work for businesses that offer fair compensation. This includes not only competitive wages and benefits but also intangible compensation in the form of opportunities to learn, grow and achieve.

Association. The chance to work with respected and compatible colleagues is an element people consider essential.

Meaningful work. People want to work in businesses that let them do the kinds of work that appeals to their interests. Satisfying, stimulating work makes all of us more productive.

Why people leave

People also leave organisations from many different reasons but primarily because one or more of the above conditions was either absent at the beginning or has since been eliminated. For example:

Leadership changes. Either the quality of top management decisions declines or new leaders

whom employees don’t trust or feel comfortable with, take control.

Conflict with direct report. People may also leave when their relationship with their boss becomes stressful or problematic.

Close friends leave. If one or more colleagues with whom the employee particularly likes and respects leaves the business.

Change of responsibility. A person’s job responsibilities changes so that the work no longer appeals to their interest or provides them with meaning or stimulation.

People will leave for the wrong reasons. The number one point to keep in mind when thinking about why people leave is that people most often leave for the wrong reasons, i.e., they leave without really understanding *why* they’re unhappy or *what* opportunities there are to improve things. Thus they jump from job to job making the same mistake each time.

Performance reviews vital for retention

Not many employees relish being criticized. But performance reviews - evaluating both the positive and negative aspects of an employee’s performance - serve many purposes and are an integral part of the retention plan.

Why Conduct Performance Reviews? The best reason to conduct performance reviews is that they improve communication. Performance reviews enable employees to receive feedback on how well they have been doing their jobs, and to set future goals. At many companies, they also provide a way for employees to assess their managers. One of the biggest reasons people leave organizations is because of the lack of communication.

Improved employee performance is another benefit of performance review programs. A well-designed performance review program keeps people focused on performance and continuous improvement.

Manage for retention

So what can employers do to keep as many good employees as possible?

Get people off to a good start. Getting people off to a good start begins with hiring people who are suited to the job and making sure that they understand what they are getting into. A good start also begins with a new employee orientation that makes them feel welcome and part of the group.

Create a great environment. Whilst the business culture does influence the working environment, it's important to note that a bad manager will destroy any positive culture that has been built. In the end, it's better to replace bad managers and supervisors than to replace an endless stream of employees.

Share information. Freely dispensing information about the business, about financial performance, about strategies and plans tells employees that you trust them, that they are important partners, and that you respect their ability to contribute to the business as a whole.

Give people as much autonomy as they can handle. Many people enjoy working with a minimum of supervision. So give people as long a leash as they can handle. Doing so will make them happy and make your job as manager easier.

Challenge people to stretch. Most people, particularly the ones you want to retain the most, enjoy a challenge and the feeling that you have entrusted them with bigger responsibilities than they had a right to expect. So put the people you want most to retain into jobs that will make them stretch, and give them the support they need to succeed.

Be flexible. Savvy managers know that flexible working arrangements are highly successful in retaining employees.

Design jobs to encourage retention. Nothing is more soul destroying for an intelligent employee than a job that is too repetitive, too isolated and insufficiently challenging or downright unpleasant. If you have high turnover in a critical job area, take a look at what you're asking people in that job to do every day. You may be able to cure the turnover problem by job redesign, adding variety to a repetitive job, or engaging isolated employees in team projects.

Identify potential defectors early. As a manager you should interact and share views with the people that report directly to you. In doing so, you will help identify

potential defectors in time to take effective countermeasures. Potential defectors display a change in behaviour such as coming in late or leaving early, a decline in performance, complaints from a person who hasn't been a complainer, references to how well other companies treat their people, withdrawn behaviour, talk about burn out or frequent sick days.

Be a retention oriented manager. Never forget that part of your responsibility as a manager is to issue proper staffing. Retaining good performers is part of that job. So look at how you manage people and how you schedule workflows. Are you the kind of boss who manages in ways that encourage the best people to stay, or are you unknowingly driving them away?

Summing up

Retention matters because high turnover creates high replacement cost and is clearly associated with low levels of customer satisfaction, customer loyalty and lost revenues.

Retention is challenging today due to the number of factors particularly in an ageing workforce and a growing imbalance in the supply and demand of qualified personnel. In addition, today's workers have different expectations about work-life balance.

People stay with their employers when they see the organisation as a source of pride and affiliation, when they respect their supervisors, when they are fairly compensated, and when they perceive their work is meaningful.

People seek greener pastures when leadership changes unfavourably, when they are in conflict with their immediate report, when close friends depart, and when their responsibilities change in ways they do not favour.

About the author

Nathan Chanesman conducts workshops on "reading people styles" and "relationship selling". He is a published author on relationship marketing and teaches sales people how to improve their effectiveness by improving their people skills. Nathan is co-founder and CEO of Myprofile, an online personality assessment service. His company Employnow is a specialist recruiter assisting dental supply companies find the right people. He can be contacted on 0418-100-012 or nathan@employnow.com.au



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