

Retain, Retain, Retain

Modern times demand modern solutions could be a working philosophy for managers today. In many ways that is true, but then you also need to ensure that you 'don't throw the baby out with the bath water'. Which bit of 'management speak' do you choose to believe and live by? They can both provide guidance in decision-making but are they mutually exclusive? The truth is – no they are not.

But be careful of the ones you should let go!

As with all these sayings they were created in the first place to fit a particular set of circumstances that the creator had in mind. Unfortunately these circumstances are long forgotten but the saying still dominates the way some people think today. Sadly by being drawn into the murky world of 'gurus' and 'management speak' too many managers are missing vital opportunities to do what's right and instead blindly follow the mantra. One such over-used philosophy is – "People only come to work for the money". If any of your managers are peddling that attitude as their philosophy on the people that work for them, get them to change now or SACK THEM NOW! No, don't hesitate, DO IT NOW! (Health warning – do it properly of course; following a proper procedure etc etc). Is this an irresponsible instruction? Only if you do it without thinking. And that's the problem with managers who think people only work for money. They are unthinking, mono-dimensional dinosaurs that have no place in the modern multi-faceted workplace. People, and

more importantly their expectations, have moved on. Much has happened to influence those changes that some managers have recognised and adjusted to whilst Neanderthal manager still fails to see. So what has changed?

Over the last 20 years much has changed in key areas to alter the way people view the workplace and their place in it. There have been changes to demographics, the labour market, the people themselves and to working patterns. Under demographics there are – more dual earner families; families who are more geographically separated beyond town boundaries that used to restrain them; more diversity in the workforce - more women, more minorities, a broader variety of religions and at least four (yes 4!) generations. The labour market today sees the tightest supply for 20 years and it shows no chance of slackening off in the near future. Some estimates now calculate that at least half of all job vacancies are "very difficult" to fill. People's expectations of an employer have become much greater, certainly well beyond the steady job and gold

watch after 50 years dedicated service. Most do not want to stay around for many years and have a healthy level of mistrust towards companies especially following the outpouring of corporate disloyalty through the 80's and 90's. Dramatic reductions in workforce numbers have radically changed the fundamentals of the employment relationship with the 'survivors'. Add to all this the clear fact that employee pressure, 'enlightened' employers, and indeed legislation, have all contributed towards the demands for different working patterns – part-time, flexible hours, teleworking, cyclic contracts and so on. Could all that happen if people were "only interested in the money"?

It is in this environment that you now have to consider how you retain key skills. You know you need to, because a tight supply market means people have the opportunity to move on. They certainly have the inclination and it doesn't take much to nudge them – a whiff of uncertainty about the company's future is always enough to generate the

recognisable tap-tap-tap on the keyboard as the CV gets dusted off and updated. Once they have started looking, a whole world of opportunity opens up for them. You may be fortunate for a while that in your local area there are a glut of particular skills that mean you don't have any trouble advertising for new staff – enjoy it while you can, it won't last. Companies are waking up each day, some in a permanent cold sweat, as they have to work extremely hard to retain key skills. Of course the one simple answer is, get your pen ready because here it comes – pay more money (Whoops, that's a suggestion from one of those Neanderthal managers again – I thought you'd just sacked them?). Many companies have already realised that as the problem has got people at its core it is multifaceted and therefore demands a multifaceted answer.

What is important to accept from the start is that a balanced level of labour turnover can actually be beneficial. However, stay too low and you risk stagnating as a business. But stray too high and you have the constant pressure to

the latter by the former to get your percentage. You can use the same method for longer reference periods, though you may wish to average the number of people employed, to reflect significant changes, and thus produce a more accurate picture of what's happening.

Once you have done that you can decide what to do based upon the calculations. If it is too low and has been low for a while you need to start thinking about how you can either generate some turnover or ensure that you don't sink slowly into stagnation both in mind and performance. Those attentive readers amongst you will shout – according to you all you need to do is circulate a story about uncertainty in your business! It's an option, but a falling share price will not please the shareholders. Better still is to ensure that cultural training and awareness focuses on keeping people alert, energised, positive and with a clear understanding of what levels of performance are demanded in their industry sector to remain successful.

If your turnover is too high, then there are

notice period as you are convinced they are motivated to do; and finally, ensure that you have a structured knowledge-grabbing process to help keep some of their knowledge within your company. By the way, there is no need to ask this question of people you know you don't want to keep!

The truth behind the reasons why most people leave their previous employer is that they left due to a breakdown in the employment relationship. Put more simply – People leave managers not companies. Work hard to ensure Neanderthal management dies an ignominious death in your company. Provide meaningful development for managers in

- Coaching
- Caring / recognition / positive management
- Communication skills (including feedback gathering)
- Diversity awareness
- Management through flexibility

Develop your staff with: -

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replace along with all the associated costs. So is there an ideal level? In reality it depends upon what your circumstances are at the time. Some so-called "World Class" benchmarks stipulate that <1% is the only target for credible world class performers. Hogwash!! That is only good when you need a period of stability for particular reasons. Whatever those reasons may be, they will be superseded by other pressing needs as time goes by. When that time comes, you may well want to encourage turnover and to hell with world class performance. In essence, the circumstances dictate what a good retention rate either is or isn't. As a rule of thumb, however, you should start to wonder if it is too low when you get to 4% labour turnover and too high if you hit 8% in today's climate.

So what do you do with retention / labour turnover in your company? Well, first of all you need to measure it. Doesn't take much effort, just record how many employees you have at the beginning of each month along with the number of leavers the previous month. Divide

a number of things to do. Firstly you must understand the real reasons. Doing Exit Interviews can get good information if the interviewers are well trained, but it can also get you a whole raft of false 'readings'. People will throw around comments like – "I just thought it was about time to move on" or "I wasn't really looking but this opportunity fell on my lap". It's at this point that a lot of line managers insist on ludicrous Neanderthal Manager tactics like - demanding the HR department offer the leaver more money. I can save you a lot of time with all these "don't go, we need you" tactics. Ask the individual the simple question – "Have you psychologically moved on?" In 15 years experience of dealing with leavers I have never had anyone misunderstand this question and mostly the answer is "yes". There is nothing sensible you can do at that point to retain someone – treat it like they have already gone – the mind has gone, the body just needs to follow! The only sensible things to do are – move them away from sensitive front line duties; ensure they work as much of their

- How to be coached
- Diversity awareness
- Self-development
- Role and organisational sensitivity

Perhaps the most important thing to consistently do well is to have all managers 'temperature-checking' the organisation for problems and opportunities. You then have a chance of dealing with the issues that good or bad retention creates for you.

On a lighter side we could adopt the approach of Dogbert as follows: -

"Employee turnover can be a healthy thing. It gets rid of highly paid malcontents and infuses the company with a healthy dose of bargain-priced, untrained employees. And you can always compensate for the shortage of employees by making the remaining employees work harder. There's no logical limit to that." (Reproduced courtesy of Dogbert's Management Handbook).