

BY: SAL SILVESTER

Addressing the Pain of Employee Turnover

How much does it cost when you lose “just” one employee? Who within your organization is at risk of leaving? Why will they leave? Why should you care about retention?

These are just a few questions that every leader and HR manager should be able to answer.

The cost of losing *just* one employee can range from tens of thousands of dollars to hundreds of thousands of dollars. Imagine losing a skilled software engineer with deep expertise in a client product configuration. The impact to your client alone could be enormous. And what happens when you lose a sales person who generates millions of dollars in revenue each year and holds the key to precious client relationships? How do you value that loss?

So, why should leaders care?

First of all, they should care because it is getting harder to find top talent. (1) Unemployment remains below the 30 year average (5.5% nationally in May 2008, and 4.4% Colorado in March 2008). (2) Simultaneously, we are on the verge of a major shift in workforce demographics. Both the 25-34 year-old range labor pool and the 35-45 year-old range labor pool is shrinking. (3) Employee/employer loyalty is almost nonexistent as a result of downsizing and reorganization initiatives over the past 10-15 years. Employers no longer offer guarantees, and employees no longer offer their loyalty. On average, a 22 year-old today will have over 10 employers in their lifetime.

Secondly, leaders should care because they may be the single most important factor impacting “should I stay or should I go” decisions. Gartner Group says it best: people don’t leave organizations, they leave their managers. Perhaps you have experienced the same in your career. A week doesn’t go by when I don’t hear a friend complain about their boss. They almost never complain about their organization.

So, how can you help the leaders in your organization retain winning talent? Here are a few ideas:

1. Help your leaders understand that retention is not an “HR” issue. Retention is a leadership issue. When retention becomes a leadership issue, it becomes a bottom-line business issue. Think about your current business goals. Would your organization be able to achieve them if 15% of your employees left tomorrow?
2. Now that retention is a leadership issue, help your leaders understand the need to develop self awareness and their emotional intelligence. Do they understand their behaviors? Do they understand how those behaviors impact their employees? Most leaders aren’t even aware that they should be self aware. When leaders stop blaming outside forces for retention problems, like Company XYZ’s compensation plan, they can start focusing on things in their control such as their leadership style, performance coaching and feedback, and creating a motivating work environment.
3. Help your leaders create a system for identifying who in their organization is at risk of leaving. Help

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them identify early warning signals so that they can respond to retention issues proactively instead of handing off exit interviews to HR.

4. After your leaders have identified who's at risk, help them develop and implement a retention action plan.

5. You get what you measure. Hold leaders accountable to retention performance goals.

6. Look at your overall organizational systems such as compensation plans, performance management, and hiring. Do these processes support retention? I am always surprised by how lightly companies take performance management, for example. How can you provide people with performance feedback when they don't have performance goals to begin with? Why aren't performance goals tied into corporate strategic objectives? Why is it March, April, or May and your employees haven't received their annual review yet?

Retaining talented people will be one of the most important investments your organization can make over the next 10-20 years. Get your leaders involved. Help them understand their role at both the individual leadership level and in creating organizational processes that support people retention.

Sal Silvester, President and Founder of 5.12 Solutions (five-twelve), works with teams who want to enhance how they communicate and collaborate, and with organizations who want to bring out the best in their people. Sal has a unique perspective on team and leadership development gained through his experience over the past 16 years as an Army Officer, an executive at Accenture, and founder of 5.12 Solutions. He has led teams in the desert of Kuwait, the mountains of Turkey, and in the offices of many clients. He is a graduate of the US Army Ranger and Airborne schools. He is an avid rock climber and mountaineer and has competed in 5 marathons and an Ironman triathlon. Sal integrates a unique blend of experiential activities, content, elearning, and DiSC and team assessments within his programs as tools for growth that make learning unforgettable.