

A Six-step Employee Retention Strategy

What's your organization's turnover, or churn, rate? Has it increased over the last 18 months? If you are like 40% of firms surveyed for a report developed by Monster Worldwide, a leading global online careers company, you too have noticed a significant decrease in employee retention.

In the same report by Monster Worldwide, an astonishing 70% of Human Resource leaders indicate that workforce retention is a primary concern for their business. Why is this the case? There are several factors in this equation and it begins simply with the aging baby boomers. We have all read the news reports about how many boomers are turning 60 and that they are retiring at an astonishing rate. This is compounded by the rate at which employees are entering the workforce. Do you remember the time in history when the birth rate declined drastically? Well that time is now catching up to the workforce.

According to the Bureau of Labor Statistics, the United States native workforce growth rate is expected to slow to 0.06% between 2000 and 2050. Much of this is, in fact, due to the aging boomers, and the fact that the Generation Xer's are not up to the same level as their retiring counterparts.

The question becomes how, over the coming years, do companies lower the churn rate and retain the employees they want to keep? It is no longer a single approach to a single problem. This multifaceted problem requires a multifaceted approach to solve.

One solution is to follow this Six Step Plan as part of your employee retention strategy:

1. **Develop a community spirit:** Across the nation, we are asking more of our employees and, in many cases, they are spending more time with those they work with than they are with their spouse, partner, or significant other. This means there are families at work as well as a families at home.

Community spirit simply means employees look out for each other and back each other up. When an employee is out sick or on an assignment, others pick up the workload without being asked to do so. Of course, this may involve a culture change in your organization, but the results are proven to be powerful.

If community spirit is not present, this usually means there is a lack of trust between employees or, maybe, even management. Community spirit begins with trust in each other and in management.

2. **Put a work-life balance program in place:** With the demands on the personal lives mentioned above, many employees will not push themselves over their limit as in years past. Why is this? Let's take a closer look at the ages of

those we are likely talking about. In most cases we are talking about Generation X employees. Those born between 1964 and 1980. When you look at this generation, they are sometimes called "the lazy generation," which is actually far from the truth. Generation X was known as the first generation of latch key children. This meant that they had to fend for themselves when they came home from school. Their parents were not around because they were out working longer hours and doing more. Consequently, they made a promise to themselves that they would not do this to their children.

3. **Don't forget to charge your employees' batteries:** A car has an alternator to charge the battery while it is running. Without an alternator, the car would start once and, while running, the battery would eventually die so that the engine may not start again.

Those companies successful in managing employee retention do this in a variety of ways which include outside company activities, holiday pot luck lunches, etc. One powerful way to get this "recharge" is to bring in a professional speaker. Many organizations do not want to spend the money to hire a "Motivational Speaker" because this type of motivation (battery charging) is considered too expensive.

What if you were able to bring in a speaker / trainer with the skills to teach practical knowledge and information beneficial to your organization and also recharge the batteries of employees at the same time? The range of topics that could accomplish this includes teambuilding, leadership, diversity, and customer service training, to name just a microscopic few. With this type of session, in most cases, the cost per employee can be kept to a very manageable level.

4. **Brand your employment:** Most organizations understand the power behind branding for marketing purposes. They fail to understand the power behind branding from an employment experience. Think about what your organization does and develop a brand that makes employees want to work there. The United States Army's most powerful brand "Be All You Can Be" was a recruiting promotion that exceeded all expectations.
5. **Utilize the exit interview to your advantage:** Even if everything is done correctly, you will still lose people. In the exit interview, the number one answer employees give when they leave is money. If the person doing the exit interview digs a little deeper, other factors will emerge. They may include shorter commute, a better chance for advancement, more challenges, etc. The cop-out answer is "more money" and most of those doing the interview stop right there.

If you get "money," you need to dig deeper. The most effective way is to ask, "Besides money, is there anything else that led you to this decision?" Once you

have an answer, then ask why that answer is important to them. If it is important to them, most likely it's important to others as well. You will then want to ask, "Between X and money, which is the most important reason you are choosing to leave?" You will want to repeat this cycle a few times to get the hierarchy of their reasons. Some will give you one or two reasons, while others may give you five or six. Once you have the hierarchy, you have something to work from for the future.

6. **Hold ALL leaders accountable:** Senior management needs to hold department and division managers responsible for the churn rate of their areas of responsibility and this should be a portion of their performance evaluation.

Keep in mind that you will never get to a zero churn rate and if your industry averages 8 – 10% then anything in that range should be considered in meeting expectations. You can develop your organization's plan accordingly.

Nothing will stop employees from leaving you if they really want to leave and, sometimes, it may be better if they do leave. Maybe they are not meant to be on your bus. But if you consider these ideas, and employ this strategy, perhaps the ones you want to keep will be more likely to stay.

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