

WIN THE WAR FOR TALENT IN TODAY'S ECONOMY



We're at war.



Across the country, employers are engaged in a fierce, prolonged battle to hire and retain top talent.

"But unemployment is still high," you say. "But I'm flooded with résumés every time HR posts a job," you declare.

These statements are both true. However, according to the Society for Human Resource Management, recent statistics reinforce that while hiring remains sluggish, finding and keeping qualified, skilled workers is getting tougher. A number of demographic, economic and competitive forces are fueling the problem:

- Baby boomers are retiring – rapidly.
- Our next generation of workers is smaller than the current one.
- Our economy, while still volatile, IS adding jobs each month.

With more opportunities available, and fewer qualified people to fill them, you're at greater risk of losing top performers to competitors. To compound the problem, traditional methods are not as effective as they once were in retaining exceptional employees.

If you want to win the war for talent, read this eBook. It examines the true cost of turnover and outlines today's best retention strategies, geared to the unique needs of each of your workforce segments.



Turnover – An Expensive Proposition



Every time you lose a valued staff member, you're losing money right off your bottom line. In addition to the direct costs of recruiting, screening, interviewing, hiring and training a replacement, you also incur "hidden" expenses, such as: opportunity costs (time HR and hiring managers could be spending on other productive activities); costs of vacancy in the position (impact on customers and team/department members, lost productivity); and costs of replacing knowledge that leaves with the employee.

The high cost of turnover, combined with recent changes in our economy, make employee retention more critical than ever. Though our economy is still undeniably volatile – and will likely remain so for a long time – your company must prepare for a fight to keep its best and brightest.

While paying employees well should certainly be a key piece of your retention strategy, it's not the only way you can keep people working for you. Beyond salary and other bonuses, here are highly effective retention tactics for five key workforce demographics.

Many of these ideas will be applicable for several groups.



Retaining High-Performing Managers

High performers are deeply invested in their work. They put in significant overtime and make personal sacrifices to pursue professional goals. Not surprisingly, top managers expect their jobs to be a source of fulfillment and prefer to work for companies that recognize their skills and support their career aspirations. If they feel unappreciated, underutilized or “stuck” in a dead-end position, they’re much more likely than average employees to look for better opportunities.

As a proactive leader, your retention strategy for experienced managers should be multifaceted and key into the values most important to this group:

Work / life balance. Balance may well become the most valuable retention tool of the 21st century. The ability to leave work at work, and have quality time to spend with family, is priceless to most people – but especially important to 35-44 year olds.

Help them strike a good balance between work and play, and they’ll be less likely to seek these opportunities elsewhere. Offer flexible work schedules; allow managers to work remotely when appropriate (as long as their work is done well and on time); encourage them to use their vacation time – especially workaholics. Reinforce these efforts with planned fun, including off-site team building and/or social activities.





Understanding business recovery plans. Many managers leave their employers out of “fear of the unknown” – so give them the strategic information they need. As we emerge from the recession, tie key managers to your company’s recovery strategy. Use their ideas, skills and wealth of experience to plan new initiatives, expand product offerings or drive innovation. If your managers understand your company’s long-term plans, and feel that they are part of the solution, they will stay engaged and be more likely to stay working for you.

Making a difference – not just a living. Doing work with meaning is vitally important to most managers, as it helps them be a part of something larger than themselves. Examine your mission statement with your best managers. If it sounds too self-serving, discuss ways to revise it and connect it with a purpose – something bigger and better than just earning money.

Alternately, discuss ways your company could give back to the community. Fundraisers, service projects, adopting families in need and volunteering for nonprofits as a company are all excellent ways to build camaraderie and fulfill managers’ need to make a difference.



Retaining High-Performing Managers



While many organizations focus retention activities on higher-level employees, smart business managers also recognize the importance of reducing turnover in entry-level staff. A “revolving door” of entry-level workers is more than inconvenient; it can critically undermine your company’s quality, service, morale and productivity. Here are two ways to stop the vicious cycle of entry-level turnover:

Develop leadership skills. When possible, use challenging “stretch assignments” to motivate workers, facilitate skills development and build coalitions. To retain talented entry-level employees, Steve Ford, chair of OI Partners (www.oipartners.net), recommends that you “look for opportunities where members of your team can step into leadership roles. That may mean you have to be in the background

more and become comfortable with sharing the spotlight,” but it’s a small price to pay if it enables you to retain and develop tomorrow’s leaders.

Give them a voice. Being listened to and heard by others is a sign of being respected and valued. Today’s employees want a voice – to state problems, share ideas and make suggestions. Try holding “50/50” meetings, where management speaks 50 percent of the time on their goals, vision and mission, and where employees then have an equal chance to raise their own questions and issues. In-depth, straightforward communication through a variety of channels will help even entry-level employees feel like they’re a meaningful part of your company. Hear them out, and you’ll curb negativity and keep them both invested and engaged.



Retaining Knowledge Workers

Diverse, demanding and socially aware, IT millennials are creating a major paradigm shift in the workplace. To keep the best and brightest working for you, stay flexible and accommodate their needs as much as possible. Here is what will keep knowledge workers in the fold:

Understanding. Instead of trying to change knowledge workers, work with them. If necessary, educate your leaders about what makes this type of employee tick. Explain their need for job control, desire for more flexibility, craving for reassurance and hunger for new technology. The more willing your staff is to accommodate IT and other knowledge workers' needs, the higher your rate of retention will be.

Challenging work with opportunities for advancement.

Money is important, but it's often not the ultimate motivator for knowledge

workers. If your company isn't able to offer the highest pay, entice IT professionals with something they want more: career advancement. Let tech employees know what they can strive for and lay out career path options for them. Show them where they could be in 5 to 10 years if they exceed expectations with your company.

Purpose. Knowledge workers want to know how they can make a real difference. Make sure you show them your company's big picture and how the work they do directly affects it.

Money Isn't Everything

A January 2012 survey by a Baltimore-based IT staffing firm found that 81 percent of IT professionals say that the chance to develop their skills is the number one consideration when deciding to remain with their employer or move on. The second condition is career advancement; compensation ranks third.*

* Source: <http://www.workforce.com/article/20120518/NEWS02/120519953/alternative-recruiting-strategies-employed-by-companies-vying-for-top-tech-talent>

New technology. Tech-savvy workers have a strong desire to learn new skills and use bleeding-edge technology. So meet them halfway. Conduct periodic focus groups to keep tabs on your millennials' technology needs. Then whenever fiscally appropriate, allow your employees to spread their wings by testing and integrating new tools or languages as soon as they are available.

Autonomy. Work with technology employees to establish clear, measurable and obtainable goals. Then let go of the reins. Once goals are set, allow them to decide how they will achieve them.



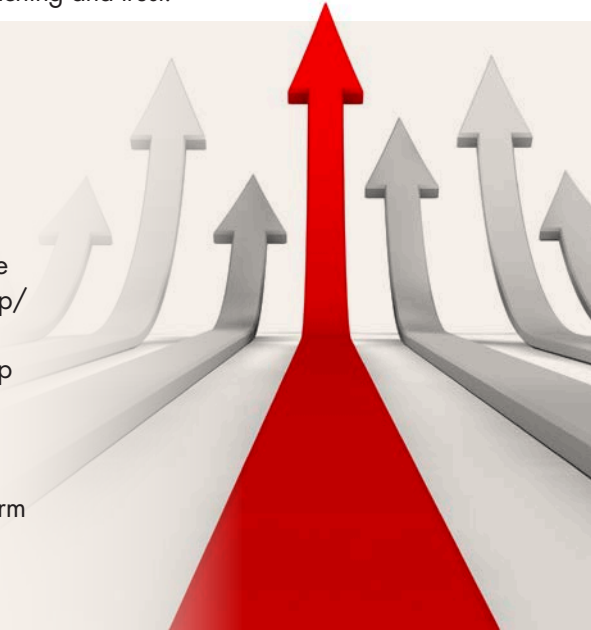
Retaining Young Managers

Eager, enthusiastic and full of fresh ideas, today's younger workers are looking for more than just a job. They want to learn as much as possible, and they will stay with an employer who provides opportunities for long-term career growth.

To develop and retain your company's future leaders, focus on communication, coaching and trust:

Establish well-defined career paths. Young managers will often wonder, "Where am I going?" Keep them in the loop by discussing the future of the organization and their future within it. Give them an idea of when promotions, bonuses and pay raises will likely occur; detail the organizational hierarchy; show them where they are headed in your company; and discuss a five-year plan that fits with business objectives and meets young managers' need for growth.

Provide proper training. Gen Y wants to know that their bosses are helping them further their professional development and career goals. To keep them working for you, offer opportunities to attend trade shows, seminars and networking events. Make trade publications, books on leadership/business strategy readily available to them. Beyond job-specific training, help young managers develop their soft skills through case study exercises and self-study programs. Bottom line, do whatever you can to keep their long-term career goals on the same path your company is traveling.



Maintain clear communication.

Young managers must feel they can go to their supervisors to talk through challenging issues. To retain them long term, let them know where they stand. Clearly outline performance expectations and provide frequent feedback outside of annual performance appraisals.

Create a culture of trust. When it comes to young talent, you create loyalty by getting them involved in the big picture – not just day-to-day tasks. Provide opportunities for their input to make a real impact by: inviting them to strategic planning meetings; asking them to lead meetings or give presentations;

and/or asking them to contribute their ideas for the future vision of the company.



Why Do Young Managers Leave?

1. The job/workplace wasn't as expected.
2. There was a mismatch between the job and employee.
3. The employee receives too little coaching and feedback.
4. The employee has too few growth and advancement opportunities.
5. The employee feels devalued and unrecognized.
6. The employee is stressed from overwork and work/life imbalance.
7. The employee loses trust and confidence in senior leaders.

(Source: "The 7 Hidden Reasons Employees Leave" by Leigh Branham at the Saratoga Institute)



Retaining New Hires

According to Tim Augustine, co-owner and managing partner of The Herman Draack Company (an HR consulting firm specializing in strategy implementation, executive recruitment and project outsourcing), most employees decide if they will stay with an organization within the first 90 days. As such, your retention strategies for this group of employees should focus on their first weeks and months with your organization.

Create an orientation program that helps each new hire learn everything he can about:

The company. Teach him all about your organization's history, mission, values, vision and direction. The more he knows about your company, the better he'll be able to identify with it and find his niche within it.

The position. As the manager, you need to describe your expectations, as well as the expectations of internal suppliers and internal customers. Additionally, describe the tasks and activities associated with the role, highlighting the critical success factors

you will use during performance evaluations.

Company processes. Do not expect your employee manual to cover everything. Help the new employee understand how things run within your organization, explaining team norms and politics, work hours, attendance and inter-team communication.

Product/services. Use experts on your team to provide a solid understanding of your products/services, as well as the reasons customers buy from you.

Personal effectiveness. Address both the personal and professional development of the new employee, including training and educational opportunities, personal growth and career advancement.

By implementing this type of orientation program, you will realize a significant improvement in employee retention – and increase your new employee's motivation, confidence and engagement from day one.



Final Thoughts

As our nation continues to add jobs, retention strategies will become even more important for your business. Before you find yourself in a turnover crisis, take stock of the ways you incent your best employees to stay working for you. Do you provide them with meaningful work? Do you acknowledge employees' non-work priorities? Do you provide sufficient training and opportunities for professional development?

If you find that your organization is falling short in any of these areas, use the suggestions outlined in this article to give your staff a voice, the balance they need and fulfilling work. Do this, and your employees will no longer have to look for greener pastures. Deep down, they'll know that they are experiencing the best an organization can offer – a place where they are valued and respected not just as workers, but as fellow human beings.

