

KEY TO TALENT RETENTION

SHOWING THAT YOU CARE IS KEY TO A SUCCESSFUL EMPLOYEE RETENTION STRATEGY. LAWRENCE WORDON

(r) Research undertaken by an American-based employee relationship consultancy says the number one reason why people leave their jobs is due to a perceived lack of empathy from their bosses.

The need for structured corporate retention policies has become even more important in today's trading environment, characterised on the one end by global economic jitters, the banking crisis and rising inflation and interest rates and, on the other, by a crippling shortage of skills.

In its annual survey on the best companies to work for in South Africa,

Deloitte points out that although more than 80% of companies have some kind of employee retention strategy, only 22% have a structured formal plan. This is despite the fact that more than half the companies surveyed say employee retention is one of their top five business priorities. In addition, 66% of these companies say that a lack of talent hampers their ability to execute their overall business plan.

However, given the high turnover rates experienced by companies at the moment, it is evident that these retention strategies are failing. This is partly due to the fact that most retention strategies are focused at the upper end of the company's pecking

order and not at the employees themselves.

The higher up the executive ladder, the more the emphasis will be on offering salary and benefits competitive with the external market at large. The less elevated an employee, the more likely he or she is to be offered a package that meets equity requirements within the company.

According to the survey undertaken by Deloitte, barely one-third of companies offer shares or share options to employees. Of those that do, 91% make them available to senior management. Only 55% offer them to middle management, 45%

to professionals, nine percent to specialists and a mere four percent to support staff.

There's a similar sliding scale when it comes to performance incentive schemes. All surveyed companies with incentives offer them to executives and senior management. Only 50% offer them to shopfloor workers.

Employees most likely to leave of their own accord are in information technology, says the survey. Next come science and technology, finance, engineering and manufacturing and operations.

The research conducted in the US goes on to say that, in addition to working for a company that cares

for its employees, staff want to be encouraged to develop long-term careers, and for the company to have policies that show concern for them and their families. The next most important thing for employees, according to the research, is fairness at work. Pay is only part of it: employees want fair treatment and policies. Communication comes third: people want to know what's happening within the company. Next is accomplishment. Tell employees how they are performing and reward them when they do well. The reward doesn't have to be financial. A public pat on the back and "well done" is often just as good. People want their efforts to be recognised.

Companies should hold monthly one-on-one meetings with each of their employees to ascertain employee views on their work and the company. These conversations should be about the employee's job, future and role.

Continuous feedback should be provided so that employees know that they are adding value to their organisation. If this is not the case, focus areas should be identified and short time frames scheduled for the next one-on-one conversation.

Listening posts or barometers, such as the Deloitte Best Company To Work For Survey, are very useful in assessing the organisational climate, and in determining employee sentiment and loyalty. Feedback from such surveys should be used to narrow gaps within the organisation.

Independent climate assessments should also be conducted, preferably bi annually. These assessments provide valuable feedback as to

whether management is perceived to adhere to a company's values. They also provide an opportunity to review remuneration, training and development, career opportunities and performance management processes.

TALKING 'BOUT MY GENERATION

One of the most compelling reasons for conducting surveys is the fact that managers are required to manage different generations within the workplace. The challenge for management is that each generation has different workplace requirements and different requirements in terms of how they need to be managed.

An annual leadership index is very useful for addressing effectiveness of leadership styles, and to taper these to individual requirements. Senior management should assess the values and the leadership styles of their line managers on an ongoing basis. Where necessary, strategies should be implemented to address gaps. Closing the gaps should form part of the line manager's performance management review.

The employer and the employee should enter into a psychological contract at the interview stage. Instead of merely focusing on work-relation outputs, prospective employees should be afforded an opportunity to spell out their workplace expectations. Conversations should extend beyond salary, work hours, leave and benefits. They should also include issues such as whether the employee sees the position as a means to an end or whether the employee sees the position as a career move. *(HR)*