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Lean Thoughts

What is your Employee Retention Plan ?

Anyone running a business today knows how difficult it is to attract and retain their people. The demographics of an aging population is a significant threat, and one that will only get worse in the future as competitors fight over the available labour pool.

An organization faces many hard costs with their recruiting and selection process; advertising, executive recruiters, placement agencies, screening and testing, and management time spent in interviews. Then, add in some of the hidden costs like the initial reduced productivity of new employees, the potential erosion in customer satisfaction, and increased errors, and many organizations find out that their real “all-in” cost of replacing an employee could be as much as 35% to 45% of an individual's annual income.
While there are no quick or easy solutions to reducing employee turnover the first step is for owners and managers to understand that turnover isn’t an event, it’s a process with discernable stages that can be managed.

The first stage in the turnover process is a turning point. This is when something happens that gives an employee his or her first inkling that they may have made a mistake signing on with your organization.

Some typical turning points include:

* A petty or unreasonable show of authority by a manager

* An employee is asked to do something unethical, or they find out the company is unethical

* They are made to work with unsafe equipment

* Unreasonable or unexpected demands are made on personal or family time

* The job parameters aren’t as promised

* Their pay isn't as promised or their incentive/bonus plan is adjusted retroactively

* Discrimination or sexual harassment

* Employee gets a new boss they don't like

* There is a lack of appreciation by the supervisor or organization

Turning points cause employees to begin to look at the organization with a different perspective, one that has them focus on what they perceive is ‘wrong’ with the company. Once on this path, employees become increasingly disengaged from the organization, and if the situation is left unchecked, will eventually decide to leave. And, once an employee becomes so disengaged that they decide to leave it is almost impossible to get them back on board. So, it’s critical to recognize disengagement signs early.

Where Lean Thoughts can become Reality

"Unless you try to do something beyond what you have already mastered, you will never grow."

Ronald. E. Osborn

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Lean Thoughts

Are your people engaged?

A frightening statistic from some international research we've been reviewing on employee turnover is that up to 75% of employees could be in some state of disengagement at any given time. What is even more startling is that the process of disengagement often starts during the first week on the job!

Some common signs of disengagement to watch for are:

* Abrupt changes in behavior or dress
* Lack of eye contact
* Arriving late for work and leaving early
* More sick and personal time, especially on Mondays and Fridays (prime days for job interviews)
* Decreased level of participation in group meetings and discussions
* Doing just enough to get by
* Sudden outbursts of anger or impatience with coworkers, especially if this behaviour is out of character for the employee
* Just a job attitude
* Lack of interest in the future

All of these factors indicate that your employees are on the disengagement path. If they also begin to make comments like, “there’s lots of other companies that would want me”, or “maybe I should look for something else”, they should be taken seriously! These are not the ‘ideal comments’ that they appear. An employee is typically well down the disengagement path for these kinds of comments to surface.

To try and reduce employee disengagement and the subsequent turnover it creates there are some pragmatic things you can do.

1. Train all of your managers to recognize signs of disengagement so they can help identify employees that are at risk of leaving.

2. Communicate! Communicate! Communicate! The majority of people need ongoing communication to feel that they are part of an organization.

3. Have a well-structured orientation program. Make it personal and encourage people to get involved and interact.

4. Encourage all of your managers and support staff, and challenge yourself, to know all your employees by name. It shows you care.

5. Use any downturn in your business to rid yourself of poorly performing employees and those that have negative attitudes. Your organization has a much better chance of making it through tough times when you keep your best people.

6. Create a confidential method for employees to share their concerns and identify abusive supervisors. Once identified, train your problem supervisors with the necessary skills and encourage attitude shifts. If they are unable or unwilling to make the necessary shifts, move on quickly.

7. Have individual meetings with employees that are showing signs of disengagement. Be open and honest and work hard to find out what is causing them to disengage. Then, work even harder to fix those issues in your organization.

The better able an organization can identify the early signs of employee disengagement, the better the chance it has to address sources of disengagement proactively, and reduce their downstream employee turnover.

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