

Retention Strategies for 2007 and Beyond

Competition for talent is on the increase, and many organizations are going to great lengths to retain their best employees. There are many factors behind retention that need to be examined. Organizations need to develop an effective retention strategy for success.

While employee retention is a critical and important issue, it still is often being confused with a remuneration strategy.

But retention is not a money matter. It is a voluntary move by the organization to create an environment which engages employees for the long term. This commitment to the relationship is long term and constant and which links the employees to their company, by common values and by the way in which the organization responds to the needs of the employee.

Creating a retention strategy means placing the employee's needs and expectations at the forefront of the organizations long-term goals and objectives in order to ensure the professional satisfaction of the employee and create a trusted and valued relationship. In this stable relationship, the employee stays in the organization by personal choice based on a considered decision.

The time to implement the strategy, which should identify disengaged employees and motivate the engaged ones, is not when employees express the first signs of disengagement. The retention management system includes an element of attraction, drawing the employee to the company brand, so should actually be timed with recruitment, induction and day-to-day management.

What retention is not

A technique to enforce employees to stay. Retention does not mean keeping an employee by obliging them to stay so it should not be costly for the company. Retention means encouraging the employee's free choice to maintain his relationship with the company.

A remuneration policy. The most commonly used method of retaining employees is without doubt remuneration, with different systems of financial or non-financial bonuses that become part of a "global remuneration package". The list is long but it includes bonuses, benefits and stock options.

But policies that are solely based on the accumulation of financial bonuses do not differentiate between employees and can introduce a bidding war that is difficult to control. Contrary to what many managers still think, putting in place a compensation and benefits package is not a retention strategy.

A way to keep all your employees. Retention does not mean holding onto employees who haven't demonstrated strong performance for a long time. That is dependence, which is contrary to what a company should look for. It is not a question of retaining an employee who was poorly recruited and has also demonstrated their incompetence by the end of the trial period.

Employee Retention Strategies should include some or all of the following focus:

- 1) Recruitment & Selection Process.
- 2) Effective Induction Process.
- 3) Recognition and reward for employees.
- 4) Career Path /Opportunities
- 5) Training and Development.
- 6) Effective Management/Leadership.
(Managers need to recognize their critically and important role in the commitment/retention equation, how their behavior affects the reasons why employees leave them and the company, and be provided with the knowledge, skills and tools to become more effective in their role.)
- 7). Exit interview data - distributed to senior management who have the ability to drive organizational change.
- 8) A workplace that respects, encourages and enables a work/life balance.
- 9) A Proactive succession planning that facilitates career-pathing for top performers.
- 10) Tools to better monitor employee sentiment throughout the employee lifecycle.
(Learning the warning signals of employee dissatisfaction can prevent staff defections and promote harmony)
- 11) Measuring Turnover and Retention Costs
(In spite of the major financial impact that employee turnover has on a company's bottom-line – most companies are still not measuring its dollar impact.)

If you are interested in gaining more information, or would like to discuss Retention Strategies in more detail, please contact Emilia Gallo, Excel Global Consulting on +852 2882 5942 or email: egallo@excelglobalconsulting.com