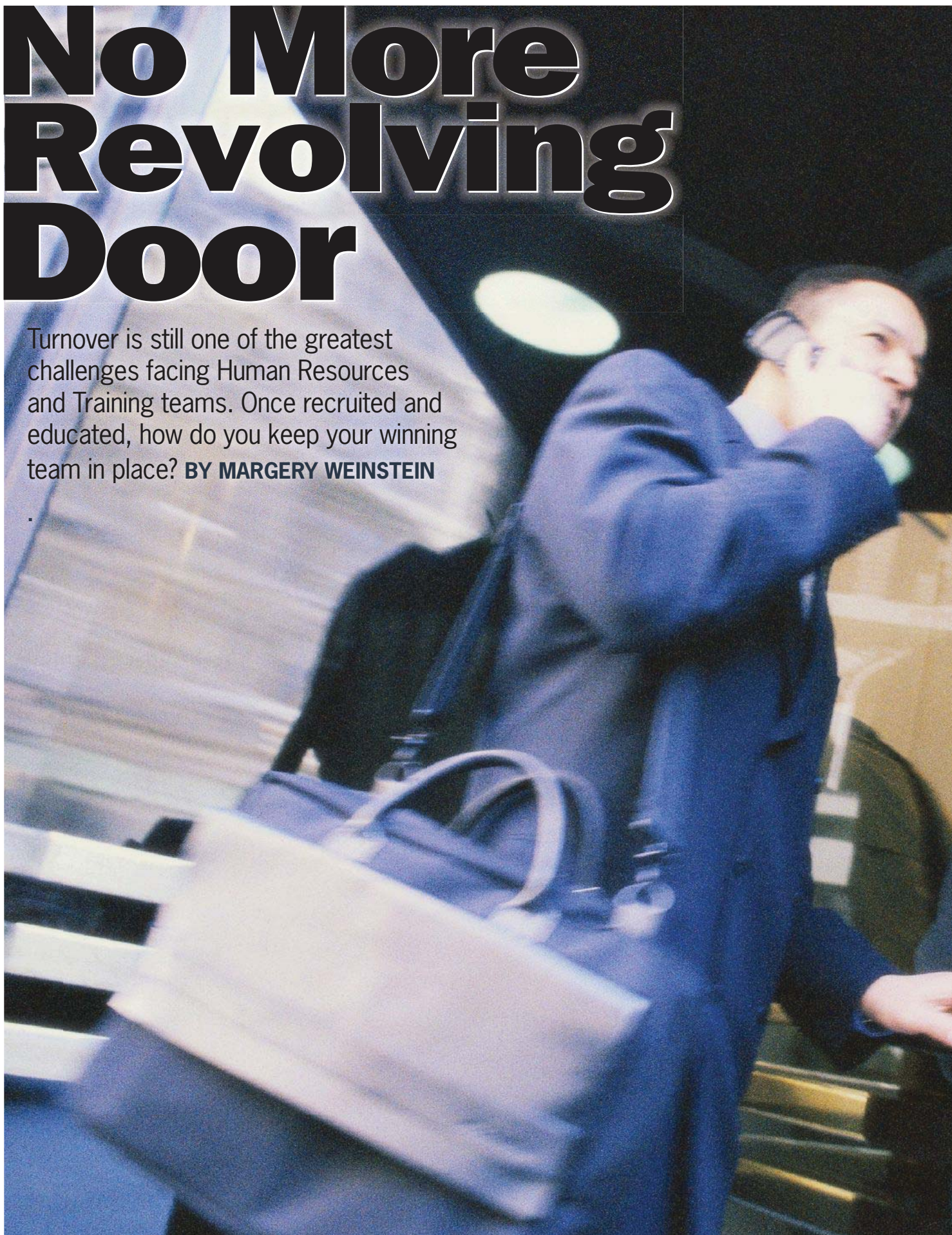


# No More Revolving Door

Turnover is still one of the greatest challenges facing Human Resources and Training teams. Once recruited and educated, how do you keep your winning team in place? **BY MARGERY WEINSTEIN**





**F**inding the right employees is a daunting task. It includes hours spent poring over resumés and much time spent on the phone and in face-to-face interviews with candidates, not to mention what sometimes amounts to months of training. The investment made in recruitment and training easily adds up to thousands of dollars for each new employee. With so much at stake, many companies—especially those in industries susceptible to turnover—are looking for new ways to keep thriving employees in place.

## CHALLENGE BEGINS WITH RECRUITMENT

U.S. Security Associates, Inc., which has a turnover rate of 22.84 percent, begins its effort to build a long-term workforce even before employees are hired. “A strong hiring process is a pivotal strategy in reducing key turnover liabilities. For our branch and district manager force, we implemented a variety of pre-employment measures and tools to minimize our risk and loss considerably while also adding strong performers to our organization,” says Manager of Organizational Development Jonathan Jones. “We use a combination of screening measurements and assessments as part of the hiring process and map those results to our organization’s specific performance measures. In this way, we are obtaining useful information as far as general performance indicators are concerned, as well as more specific performance indicators that are linked to the competencies that drive our business.”

Once hired, U.S. Security Associates works to keep employees motivated to keep up the good work—and stay on its payroll. “In tandem with our rigorous hiring strategies, we tie strong incentives to performance. Our compensation is a ‘pay-for-performance’ model in which actual performance dictates the majority of the total compensation,” says Jones. “This methodology internally ‘top-grades,’

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## DOES OPTIMAL TURNOVER EXIST?

A survey of nearly 1,000 U.S. companies found little agreement on what companies consider optimal annual turnover among their workforce. In fact, many managers may not even be sure of their turnover since only 42 percent have a formal process to determine it, according to the survey conducted by AMA Enterprise, a division of American Management Association.

Nearly half of respondents believe their ideal turnover would be 10 percent or less, and one-fifth consider it to be 10 to 20 percent. Almost one-third of respondents do not know what is best for their organization.

“In reality, employees always come and go, and some managers pay close attention to what happens, while others appear not to,” says Sandi Edwards, senior vice president of AMA Enterprise, which provides organizations with assessment, measurement, and tailored training solutions. “Certainly no company wants or could achieve zero turnover, and every organization needs new people, new ideas, new energy. But runaway turnover can be a nightmare with skyrocketing recruitment and training costs having a significant impact on the rest of the organization.”

What surprises Edwards among the findings is the vagueness on the very subject of turnover. “Some 42 percent of organizations appear to have a good understanding of the comings and goings of employees,” Edwards notes. “Another third tell us they have ‘informal’ ways of doing so, which at the very least demonstrates a lack of clarity. But 12 percent told us they don’t track turnover, and 17 percent admitted they don’t know if their organization tracks it at all.”

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or replaces low-performing managers with individuals more capable of achieving greater results, and assists in decreasing our turnover rate as we hire well and maintain our performers. The turnover we do have in this group is often favorable as it works to increase the caliber of our employees through this system.”

## SPECIAL ATTENTION NEEDED IMMEDIATELY AFTER HIRING

It is important to work to retain employees throughout their career, but never more so than in the first months after they are hired. These new employees you worked so hard to recruit have not yet committed to your company in those first days of employment. Aegis Media knows this and takes care to hold onto its newest employees in their earliest days with the organization. “We have a program that engages new hires for the first 90 days to ensure they are navigating the organization efficiently and to ensure they have an experienced member of the team they can reach out to who is not their direct manager, but rather a peer,” says Executive Vice President and Chief Talent Officer Rose Zory. “This has proven to drive much better engagement early on with the organization, and those who participate have a longer tenure with the company.”

The initial high level of attention Aegis Media gives its new employees is followed up with ongoing check-ins to make sure employees are getting what they need. “Understand engagement with employees at all levels. We have been committed to surveying all employees annually to ensure we are listening to what is working and what needs attention,” says Zory. “We do a post-hiring survey after 90 days and an exit survey with all voluntary leavers, as well. Understanding the reasons for people leaving the organization is key to managing your turnover proactively.”

## QUICK TIPS

- Hire the right people. It's easier to take care right from the start to hire the best people for the job rather than trying to hold onto an unhappy or incompetent employee.
- Keep employees motivated. If you don't reward employees for doing their jobs well and exceeding your expectations, why should they stay? Consider pay-for-performance incentives that recognize great employees with merit-based pay increases.
- Offer comprehensive development tools. In addition to pay, consider the interest employees have in enhancing their credentials. Offer certification programs and outline what employees' career paths and opportunities for advancement look like if they stay with your company for the long term.
- Focus on creating great managers. An employee's manager may have the most to do with whether he or she elects to stay or move on. Train managers to be supportive and able to understand employees' long-range goals.
- Instead of waiting for turnover to become a problem, monitor it constantly and try new or improved ways every year to keep employees for the long term.

## COMPETE TO KEEP STAR EMPLOYEES

Vi, which owns, operates, and manages upscale senior living facilities across the United States, knows top talent in the nursing profession is in high demand. Nevertheless, the company has managed to sustain a turnover rate that continues to improve. “In 2012, Vi's turnover was 21.8 percent, down from 24 percent in 2011. The average turnover in our industry ranges from 33 percent to as high as 65 to 70 percent,” says Vice President of Human Resources and Learning Judy Whitcomb. “Vi is proud that our average employee tenure is 5.5 years.”

Whitcomb says Vi has a strategic retention plan that includes a variety of employee development plans that contribute to Vi's high retention rate. “The nursing field in general is very competitive. Vi has put several programs in place to attract, retain, and engage the very best in nursing,” Whitcomb explains. “Besides a custom online university portal called E-Campus, designed with specific courses, resources, and tools for nurses, Vi offers more than 500 free continuing education courses. In addition, Vi has created a comprehensive one-year nurse leadership development program for new and emerging nurse leaders. For employees early in their career, Vi offers an annual Management Development Program.”

The opportunities the company offers for employees to enhance their credentials is a retention motivator. “Across the industry, Vi offers leading learning and development programs and certifications for employees across the company,” says Whitcomb, citing programs to improve credentials in everything from housekeeping to engineering to culinary work. “As a result, Vi realizes strong employee retention. In addition, nearly 24 percent of all promotions are based on internal promotions.”

Vi's latest findings on the value its workforce places on the training it provides backs up Whitcomb's assessment: In a 2012 Employee Engagement Survey conducted by Hay Group, Vi employees ranked training received to do their job well 11 percent higher than the industry average and 14 percent higher than the norm of high-performing companies. Employees ranked the training and resources new hires received to start their jobs well 13 percent higher than the industry norm and 17 percent higher than the norm of high-performing companies. Moreover, employees ranked the ability to achieve their personal career objectives at Vi 15 percent higher than the industry norm and 10 percent higher than the norm of high-performing companies.

## BALANCE LONG- AND SHORT-TERM RETENTION EFFORTS

Some companies face the challenge of managing both a seasonal and long-term workforce. They must keep their eye on motivating with the big picture in mind, but also offering incentives for those who are only on the payroll for the next several months. That is the case of Wequassett Resort and Golf Club. “The seasonality of the resort makes Wequassett's numbers special. The average length of service for our year-round employees is 11.4 years, and our seasonal employees average 2.3 years. In 2012, the resort's turnover rate was 6.1 percent, well below the national average of 39.7 percent,” says Director of Learning Kara Lachance. “The departments that experience a higher turnover

are those that employ college students due to the nature of these roles, i.e., Front Desk, Recreation, and Children's Program. The responsibility and exposure these positions provide afford great summer working experience, as well as an entrée to the hospitality business. We understand this and develop key individuals through manager-in-training programs."

The manager-in-training program gives employees a value-add for staying with the company. It allows workers a chance to build their skill set. "Our manager-in-training program focuses on job rotation. This program begins with the Front Office and Bell Service, and then rotates between the Housekeeping and Recreation departments," says Lachance. "The focus of the training includes Forbes and AAA quality standards and extensive customer service etiquette. At the conclusion of the program, employees are equipped to work in three departments."

Jiffy Lube International also takes long-term development seriously. The company offers certifications that prepare employees for a long career. The company has an online learning portal that is available to employees as early as their first day on the job. It offers a development path for the next few years of employment should the worker decide to stick with the company. "The 10 certifications in Jiffy Lube University have been reviewed by the American Council on Education (ACE) and determined to be worth seven hours of college credits," says Manager of Learning and Development Ken Barber. "We have established a relationship with the University of Maryland University College (UMUC) where the ACE credits from JLU training can be used toward a Management Foundations Certificate by completing three distance learning courses through UMUC. A pilot group launched this program in May. This is a first step toward a college degree," he points out. "With the ACE credits, and the discount with UMUC, our store and franchisee employees have an opportunity to pursue their educational goals. This affiliation is allowing franchisees to attract and retain top talent and should reduce turnover in the future."


## DEVELOP QUALITY MANAGERS

An employee's boss has a lot to do with his or her level of professional fulfillment. To sustain a long-lasting workforce, an organization must ensure its managers have what it takes to develop and retain employees. CarMax, Inc., keeps this principle in mind. "We strongly believe in the old adage that 'people don't quit companies, they quit managers,'" says Assistant Vice President of Talent Management Sean Ramage. "We believe that one way to raise engagement and reduce turnover (and the waste that comes from high turnover) is to ensure that our managers are great leaders of people."

Managers and other long-term employees are often the best support system an employee has. "We encourage our managers to share their stories and experiences as a way to show new associates that there is a viable career path at CarMax," says Ramage. He points out that an employee's peers across the company also play a significant role in encouraging the worker associate or employee to stay for the long term. "For most of our 'high-population' roles that have many associates, such as our 5,000 sales consultants, we have a mentor or buddy system."

Ramage recommends taking the long view on turnover and thinking of it as an ongoing effort. "Consider turnover to be a lag measure—then focus on lead measures! If turnover is high, what is the root cause (or causes)?" Other key questions Ramage recommends organizations ask themselves include:

- Are you recruiting the right people for the position?
- Are your selection tools and practices solid?
- Are you onboarding people well?
- Do new associates get trained well?
- Are they compensated fairly?
- Are they treated well by their manager?
- Do they see a viable career path?
- Is team engagement reasonably high?

"Find out what is broken and fix it," Ramage stresses. "Focus on the lead measures and root causes that ultimately lead to turnover—not on trying to get the number down." 

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## KEYS TO KEEPING EMPLOYEES

*By Allan Steinmetz, CEO and Founder, Inward Strategic Consulting ([www.inwardconsulting.com](http://www.inwardconsulting.com))*

Everyone who heads off to work wants to start their day with purpose and direction regardless of which industry they work in or what position they hold. The challenge and objective for companies is how to create an environment and atmosphere whereby employees feel good about themselves and their staff. Here are some thoughts to consider that enable employees to become more engaged and develop a sense of belonging. When the leadership team embraces these ideas, morale will grow, excitement will flourish, and employees will be more engaged with the ultimate customer, creating improved experiences with higher-quality products and results.

1. Have a clear vision that is communicated to the staff. Align it to the brand values and desired behaviors.
2. Leadership must behave in accordance with the brand vision and be held accountable for all staff to see. When the brand vision is seen happening from the top down consistently, it should be celebrated and communicated to all.
3. Be genuine and empathetic to the needs of your associates. Give them the benefit of the doubt. Deep down they all want to do the right thing...right? Give them chances to perform their skills and don't overly judge them when performing new assignments.
4. Create a positive work environment that is happy and cordial to all employees. No one wants to work in a hostile environment; therefore, do not tolerate one. Avoid politics and silo wars. Be as transparent and open with employees as best you can.
5. People want to work in a safe and thriving environment that they feel contributes to personal well-being. So, for instance, try to have healthy food alternatives in the cafeteria, offer flexible work hours, provide gym membership and wellness programs. Think about the many key stress factors for staff and do your best to remove them from the workplace.

These ideas and more will create a fresh, empathetic, and happy workforce that will add significant incremental value to your company, your products, and your brand. It starts with your people, because your people are your brand.