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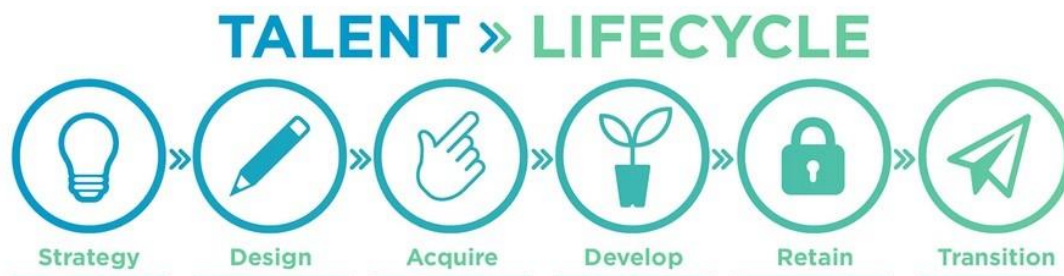
Why Employees Leave and the High Cost of Employee Turnover

We spend enormous energy to identify the 'ideal' candidate with outstanding talent and potential to add value to the organization; however, a year or two down the road they leave a vacancy. **Why?**

Whenever a talented employee expresses their willingness to move on, it is the responsibility of the manager and the human resources management team to intervene immediately and find out the exact reasons leading to the decision. Why does anyone quit their employer and head for the **EXIT** door?

The root cause of high employee turnover is always an absence of leadership and management.

While the ability to attract and recruit talent is vital to any organization's success, many organizations fail to practice a holistic approach to the entire **talent lifecycle** from recruiting through onboarding and development. This disconnect creates a fractured process where organizations over-emphasize hiring and under-emphasize development, leading to retention issues and creating an endless loop of new recruiting. Talent Management software can be part of the right solution to address this deficit.



The main drivers of employee turnover are rooted in the deficiency of HRM strategy and function.

It is no secret that recruiting is a costly process; plus, the time to get an employee up to speed as a productive member. High employee attrition rates are indicative of leadership and management gaps. Frequent voluntary turnover has a negative impact on employee morale, productivity, and company revenue. Recruiting and training a new employee requires resources and comes at a high cost.

High turnover rates negatively impact company culture, employee morale, productivity, engagement, and overhead. The high cost of employee turnover can completely offset profit or budget constraints. The investment into HRM strategy is inadequate if talented people are leaving for better opportunities.

Employee Retention refers to the techniques exercised by the management to persuade employees to stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and make valuable contributions effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work aligned with business goals.

Talent retention has become a priority for organizations in the current business climate of 2021.

According to Robert Half, an American human resource consulting firm, 38% of employees leave their jobs because of 'inadequate compensation.' While many factors contribute to turnover, competitive pay and benefits can be the difference when it comes to retaining skilled talent. Some of the other factors which prompt an employee to look for a change are lucrative salary, earning potential, challenging duties, impressive title, better ambience, growth prospects, flexible schedule, are some of the factors.

One of the reasons the real cost of employee turnover is an unknown is that most companies do not have systems in place to track exit costs, including recruiting, interviewing, hiring, orientation and training, lost productivity, potential customer dissatisfaction, reduced or lost business, administrative costs, and lost expertise. This takes collaboration among departments (HRM, Accounting, Operations), tools to measure these costs, and reporting mechanisms.

Why Your Employees Are QUITTING

As Human Resources Management (HRM) professionals it is incumbent on us to discover what went wrong between orientation, onboarding, and employee termination so we correct that deficiency.

It often starts small, but continues to mount, people start to get annoyed, then become downright sick & tired of the work environment. They just do their job and go home, as it is painful to even try to improve. Eventually, due to the aggravation at work, the only hope is to head for the **EXIT** door.

Because we all know that people who are annoyed sometimes let those little nuggets fester and as the cancer grows, stress, dissatisfaction, and sickness become horrible until they cannot focus on their jobs.

Management that is poor to begin with becomes more and more self-defeating as productivity suffers. And after a while, negativity begets more negativity that will become toxic and a job deal breaker.

High potential employees feel compelled to seek healthy, functional organizations to plug into.

Often managers become disconnected with the real work that needs to be done; and workers are irritated when their managers do not know as much about the work process or the team's project challenges as they do. The mismanagement is inconsiderate, and mis-leadership is ineffective; the organization becomes dysfunctional and disorganized; miscommunication and mistrust abound; the cultural morale is low and performance investment declines. Talented employees make their **EXIT**.

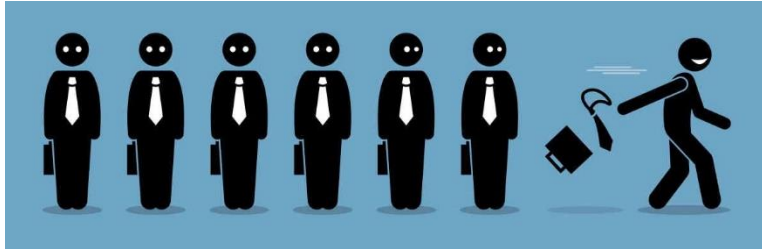
An inconsiderate style of leadership will use coercion to push people. Human Resource Management professionals can learn a lot about what is driving employees away from their companies and keeping employees from being engaged by administering an organizational survey tool to solicit feedback.

A Talent Management software solution can help to ensure a comprehensive recruiting, on-boarding, and engagement program. Also, to prepare effective and competent managers for their new roles.

When retention is one of the most important employee issues today, it is important to know where to focus your efforts and ensure you are not doing things that could be annoying your employees.

Do not wait until it is too late to know when something you could have avoided annoyed, and festered inside, one or all your employees. The inadequate leadership must be transformed or replaced with a leader who fosters a culture of excellence, achievement, and trust. Communication is a key factor if the organization is going to stop the diminishing talent, knowledge, skills, and performance capability.

To stay and suffer is too harsh on the normal psychological human; but to quit and move on to new opportunities is to experience a renewed sense of liberty, freedom, and dignity with career potential.



1. Passed for promotion.

Employees who are not getting promoted at their company look to other companies for opportunities to advance their careers. Some organizations predominantly give their employees the chance to move up. They develop and implement succession plans, mentoring and grooming programs, and encourage career development goals. Other organizations determine strategic advantage is best realized by hiring new talent to fill jobs that could have been filled from within the current workforce. They seek to capitalize on external knowledge and experience to augment their current capability.

2. Work-Life imbalance.

Employees will leave if they do not have a healthy and reasonable work-life balance in their perception. People want to be more than their jobs and feel exploited when work obligations are too much. Some organizations require non-standard hours of service such as on weeknights, weekends, and out-of-town meetings. Additionally, sometimes the workplace stress is so great that it disrupts an employee's personal quality of life. They need to be able to leave work at the end of the day and re-charge so they can do their best work tomorrow. Vacation time off standards in North America should be respected.

3. Non-competitive salary.

Due to positive and effective recruitment and retention policies, only a few employees think they are not being paid what they are worth so much that they'll quit their job. It is not just about money. People find that building their careers and a healthy work-life balance trump money. The total rewards package is often adequate compensation; however, those paid below the average are less motivated to produce above average work. Once aware of salary disparity, an apparent indignation is realized, such as the common gender gap in pay or pay not commensurate with performance, or new responsibilities.

Often, poor leadership and mismanagement practices will create a work environment that causes employees to suffer, to some degree, on all three factors. An employee may be responsible for job duties beyond their job description which warrant greater compensation. Additionally, an employee may feel exploited by the employer for work expectations beyond normal work hours and expense. Furthermore, the employee may be anticipating a promotion or job transfer to advance their career.

If all three factors come together, a reasonable person will feel compelled to resign. If you are not respected, compensated, or promoted fairly; run for the **EXIT** door. Exploitation is intolerable.

Only a 'stuck' employee will stay; someone who has no alternative in sight; however, morale and motivation will continue to dwindle. Deal breakers that push employees to the breaking point are a direct consequence of mismanagement and ineffective leadership.



Business management professors all proclaim: **people quit bad managers, they don't quit jobs.**

Your manager's attitude does not just affect your time at work; it affects other important aspects of your life. Do not bring work stress home with you as it is poison to your well-being.

If the thought of heading to work each day is taking a toll on your mental and physical wellness, it may be time to head for the **EXIT**.

If you have tried everything to make it work and your life is simply miserable in an unbearable workplace, then you have experienced a 'deal breaker.' Nothing is as frustrating and humiliating as the feeling that you can never win at work. Talent Management software can address these issues.

Your job should make you feel exhilarated and challenged, like you are succeeding in something, rather than like you are fighting a losing battle and not achieving anything. If you are no longer challenged in your position and have tried communicating with your boss to no avail, this may be a sign that it is time to head for the **EXIT**. The HRM function should be responsible for job design and redesign as needed.

Although boredom is a very standard feeling, researchers believe prolonged feelings of boredom while at work are a warning sign that you are not doing what you want to be doing and are searching for more meaning. We all know that sometimes you must take whatever you can get, stick it out for a while and, hopefully, prove to your boss that you can manage more responsibilities.

But if you have been doing this for a while, and you are still stuck in a position that does not allow you to utilize your skills, then it is time to start considering other options. Employee engagement is one of those buzz-worthy management phrases we hear all the time, but there is a reason it got to be so overused: **employee engagement matters.**

Engaged employees are passionate, creative, and emotionally connected to the mission and purpose of their work, while disengaged employees are indifferent toward their jobs and can destroy a business.

If you are not learning anything new and are simply doing the same thing every day, it is time to look elsewhere. If you are sidelined into a vault or closet, or an underground dungeon; run for the **EXIT** door.

Some workplace cultures value creativity in which 'no idea is a bad idea' and your voice has weight; but if you can't be 'authentic' at your job and you have to watch everything you say, it's time to look for a better opportunity. When it comes to knowing that things are amiss, your gut can be your greatest ally.

Trust your intuition. Even if it has only been a couple of days, weeks, or months, and you feel it is the right thing to do, it may be time to listen to that little voice and go for it, execute your **EXIT** strategy.

The most talented employees want feedback, more so than the less talented ones, and it is the manager's job to keep it coming. Otherwise, the organization will be stuck with the less talented people who will become complacent minimalists of status quo. The poor performers stay in their job role.

If you wait until an exit interview to find out why a valuable employee has decided to move on, you have missed a golden opportunity — not just to keep a productive member of your team but to identify and fix issues within your organization before you lose others.



1. Work Overload

Nothing burns good employees out quite like overworking them. Overworking good employees is perplexing; it makes them feel as if they are being punished for great performance. Overworking employees is also counterproductive.

2. No Recognition

Managers need to communicate with their people to find out what makes them feel appreciated and then to reward them for a job well done. With top performers who are intrinsically motivated, this will happen often if you are doing it right.

3. Poor Relationship

Smart companies make certain their managers know how to balance being professional with being human. Bosses who fail to really care will always have high turnover rates. Emotional intelligence and team spirit will go a long way toward positive retention.

4. Lack of Trust

Making promises and upholding commitments proves management to be trustworthy and honorable; however, when they disregard a commitment, they come across as untrustworthy, dishonorable, ingratiating, uncaring, and disrespectful. A climate of distrust ensues and morale sinks.

5. Promote the Wrong People

Good, hard-working people want to work with like-minded professionals, and it is a major de-motivator for those stuck working alongside slackers. Promoting the wrong people is even worse; especially if passed over for a promotion that is given to someone who must be trained. It is ridiculous to ask the one passed over to train their own boss, to pick up the slack because of their boss's under-developed competency.

6. No Passion Allowed

Talented employees need opportunities to pursue their passions which in turn, improves their productivity and job satisfaction. But many managers want people to work within a little box rather than let people expand their focus and exercise their passions. They stifle innovation, improvement, and creative efforts. Poor managers will say, 'just do your job and go home' without care for the socio-emotional consequences, morale, motivation, and productivity.

7. Managerial Ignorance

Poor managers are inattentive to employees and even ignore them, even, using words such as “trust,” “autonomy,” and “empowerment” as an excuse for not paying attention. Good managers manage, no matter how talented the employee. They pay attention and are constantly listening for ideas and giving feedback. Great managers encourage and direct and facilitate improvement.

8. Creative Poverty

The most talented employees seek to improve everything they touch. If you take away their ability to change and improve things because you are only comfortable with the status quo, this makes them hate their jobs. Do not stifle this innate desire to create. The best and brightest will feel compelled to exercise their talents in another capacity.

9. No Intellectual Challenge

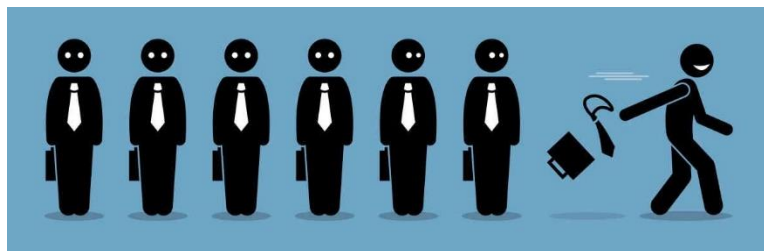
Poor managers fail to challenge their employees to accomplish great things that push people out of their comfort zones. Instead of setting mundane, incremental goals, they set lofty goals. Then, good managers do everything in their power to help them succeed. Regular check points are instrumental to keep up the momentum, motivation, and direction toward high performance.

10. Promotion is warranted; but not realized.

If management must increase how much work their talented employees are doing, they'd better increase their status as well. Talented employees will take on a bigger workload, but they will not stay if their job suffocates them in the process. Raises, promotions, and title-changes are all acceptable ways to increase workload.

If you want your best people to stay and be engaged, productive, and part of a high-performance team, you need to think carefully about how you treat them. While good employees are as tough as nails, their talent and ingenuity give them an abundance of options.

Otherwise, Good people will feel compelled to explore other options and will head for the **EXIT**.



Top Workplace Annoyances ...



Some managers do not effectively lead, they just command, demand, and humiliate others. They do not effectively communicate, leaving others confused, disoriented, and abandoned.

They literally exercise authority by changing their minds often, rejecting submitted work, and bashing those that once tried to please them. This builds resentment and disrespect in a hostile work environment.

Often managers are concerned with deadlines and bottom lines; however, do not take the time to appreciate the contribution of the team members who perform the work and create productivity on behalf of their boss.

Many workers do not think they are recognized for their work as often as they deserve. Again, this is an **inconsiderate style of leadership**.

Often managers sense they are disliked and isolate themselves in their office and do not actively foster a healthy social work environment; sometimes even contributing to workplace hostility and drama.

A negative social or cultural environment will cause people to avoid working together, each finding an independent niche or specialized work responsibility. Individual rivalries, mistrusts, and irritations can build up or escalate and generate emotional misery. This is an **inconsiderate style of leadership**.

In the best practice, we lead people, and we manage work, and not the other way around. We create an environment where people have the knowledge, skills, and ability to contribute, to be productive, and to feel valued. These factors are more important than money; but compensation equity is very important.

All that is required is a new perspective and some extra effort on the manager's part, to manage, and to **lead people rather than push them around**. Align work with organizational objectives and draw people into your vision and communicate expectations, recognize achievement, and reward positive attitudes.

Management may have a beginning, but it certainly has no end; therefore, it is up to managers to keep finding areas in which they can improve their skill set with professional development and practice.

Our recent survey results confirm what most of us already know, exposure to ineffective leadership and poor management practices compel the best people to leave, especially if they feel marginalized.

A key consideration is that few things are as costly and disruptive as good people walking out the door. Managers tend to blame their turnover problems on everything under the sun, while ignoring the crux of the matter: people do not leave jobs; they leave managers and mismanagement dynamics.

THE 4 TYPES OF BAD MANAGERS

Bad managers come in many types and to varying degrees; but the symptoms are often similar, they create bad work environments that are dysfunctional, disorganized, unmotivated, and reluctant to constructively contribute. Bad managers mislead employees and mis-manage work.

- 1. THE OVERBEARING BOSS:** The bully boss reigns with an autocratic style that squelches creativity and innovation. Some managers intimidate those around them with their domineering attitudes. They take the reins at team meetings and in other collaborative environments, making it impossible for real teamwork to occur. Or worse. We have all been subjected to “yellers” in our time. The ‘god’ boss, a true megalomaniac, is about power; however, rest assured that this cloak of power hides great insecurity.
- 2. THE UNREALISTIC BOSS:** The impractical boss sets unreasonable expectations without offering the guidance or resources to accomplish them. They create drama as a form of motivation putting everyone in ‘panic’ mode. The work unit is wrought with errors, omissions, poor quality and inaccuracy. And the effect of a manager who loves assigning stuff due ‘by the end of the day’ is a staff that can no longer tell what is truly urgent—and will act as such. The stress is infectious; and this type of boss obviously has a chemical imbalance.
- 3. THE INDECISIVE BOSS:** An inability to make decisions leads to an overflow of projects and people overwhelmed with new initiatives. This manager is never quite sure what they are looking for but still holds their staff responsible for outcomes. A person who is not willing to take a clear stand and communicate such will never be a good boss. They can be gentle, but often causes confusion around their expectations and explanations of projects. Though this boss might present themselves as resilient, they can barely hide their inadequacies.
- 4. THE BONEHEADED BOSS:** The inadequate boss who keeps putting forth bad ideas and making poor decisions, is oblivious, but not dumb – they are just uneducated. Perhaps they never had an effective mentor, are unfamiliar with the best practices of business management, or are temporarily out-of-touch due to personal glitches. This idiot boss is characterized by cluelessness and ignorance. It is as if they just walked into the office yesterday and started running it. The world is full of idiots in charge, but do not let it get you down. Incompetency can be corrected, eventually.

Unfortunately, some workplace environments are plagued by a boss who is all four (4) bad bosses rolled up into one gigantic ‘deal breaker’ of a disaster. Run for the **EXIT** door...



The biggest challenge of people management is incompetent managers.

Why are good managers so rare? ... and for that matter, why do business leaders tolerate poor management and ineffective leadership? Mismanagement and mis-leadership ruin an organization.

Most bad bosses do not set out to do horrible things against employees in hopes of terrorizing the talent. They just do not know what to do, and do not know how to effectively lead, and start down a path of mismanagement that continues to deteriorate. The workplace environment becomes more and more toxic and demoralizing. Otherwise productive employees become disengaged and will leave.

Some work units' experience 100% turnover before someone takes notice and calls for an investigation. Fortunately, it is never too late for corrective actions. All these conditions or workplace characteristics do not have to be issues; it does not have to be this way. Many employees experience one or more of these negative factors every month, or week, or every day. The negative incidents accumulate.

If an employee is subject to multiple negative factors and events, they will feel compelled to leave.

Over 80% of our survey respondents took a similar position under a new boss; and things worked out much better, with the key words of 'great' and 'success' and 'productive' and 'enthusiastic' being most often selected to describe the post termination employment condition.

The reality is often that the talent was a 'great' employee all along; just mislead and mismanaged.

The Human Resources Management will develop an effective training & development program for their organization. The program will be strategic and consist of multiple projects. Carefully planned projects will implement strategy on your timetable and budget allocation. The starting place will begin with leadership training. Following this is to augment leadership with sound management principles.

Developing effective leadership and management best practices will solve the root problem.

We will raise up change champions who are willing and able to expand their sphere of influence and begin the organizational change in culture. Organizational health will be restored, performance improvement will be realized, and talent will be less likely to head for the **EXIT** door.

Managers think they understand their people; however, often they really do not. They manage everyone the same way, ignoring individual needs and preferences. They should lead their team and manage the workflow and motivate employee engagement; but they do not. Employee frustrations grow. Good people stew in silence. High performers leave. Mis-leadership and mismanagement produce high employee turnover.

The Warning Signs ...



Despite a century of speculation by managers and scholars, we know very little about whether certain cues or signs exhibited by employees can predict whether they are about to quit.

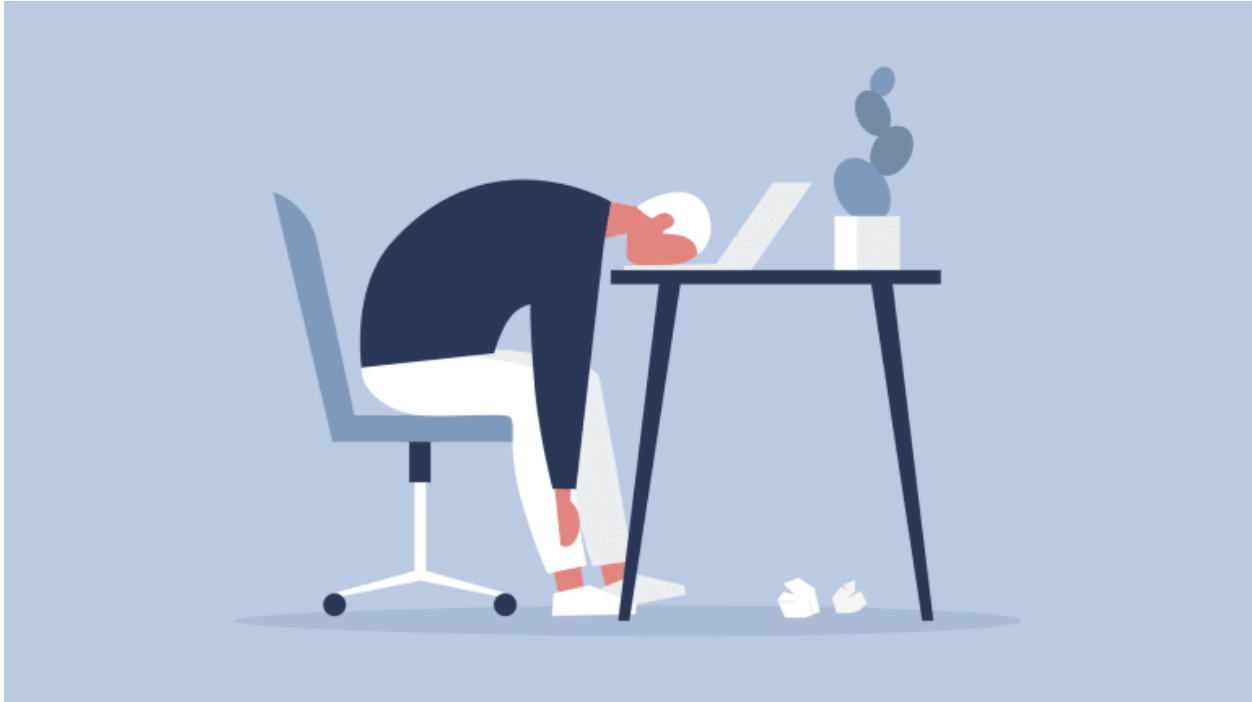
To help managers and companies identify employees at risk of quitting, we investigated this very question and uncovered a set of behavioral changes exhibited by employees, what we dub pre-quitting behaviors, that are strong predictors of voluntary quits in the 12 months after they are observed by managers.

To understand how tells might play out in the workplace, we first sought to identify a large set of behavioral changes employees exhibit that signal their future turnover.

The pre-quitting behaviors that made the cut are below:

1. Their work productivity has decreased more than usual.
2. They have acted less like a team player than usual.
3. They have been doing the minimum amount of work more frequently than usual.
4. They have been less interested in pleasing their manager than usual.
5. They have been less willing to commit to long-term timelines than usual.
6. They have exhibited a negative change in attitude.
7. They have exhibited less effort and work motivation than usual.
8. They have exhibited less focus on job related matters than usual.
9. They have expressed dissatisfaction with their current job more frequently than usual.
10. They have expressed dissatisfaction with their supervisor more frequently than usual.
11. They have left early from work more frequently than usual.
12. They have lost enthusiasm for the mission of the organization.

The more an employee exhibits these 12 pre-quitting behaviors, the more likely they want to quit.



\$\$\$ High Cost of Employee Turnover ...

The cost of a disengaged employee continues until they leave, and then the organization has more costs.

Recruiting and training a new employee requires staff time and money. There are times when employees must be replaced. This might be because they have become unmanageable or because another company has offered them a better opportunity. The HRM function must be prepared.

Some employees find better paying jobs while others seek career opportunities in other organizations. Whatever the reason, it has been well documented that employee turnover is costly and disruptive.

According to the U.S. Bureau of Statistics, the average turnover rate in the U.S. is about 15% annually.

In a general sense, attrition rate is the number of people who move out of a group over time. ... A high attrition rate means that your employees are leaving frequently, while a low rate indicates that you are keeping your employees for longer periods of time. The attrition rate cost is the term used to depict the cost employers lose due to employees leaving. HRM best practices aim for 10% turnover rate or less.

Frequent voluntary turnover has a negative impact on employee morale, productivity, business overhead, and company revenue generation. Employees leave organizations for a multitude of reasons.

The main drivers of employee turnover are rooted in the absence of HRM strategy and function.

Human Resources Management professionals speculate that the cost to replace an employee will be as much as that individual's annual salary because it takes a full year to complete the onboarding of the replacement. Also included here is the time it takes for the new employee to get up to the level of production and productivity of the previous employee, which can range from just a few days to a few months depending on the type of position they are filling.

Recruitment Costs	Selection Costs	Training Costs	Separation Costs
<ul style="list-style-type: none"> • Advertising • Campus visits • Recruiter time • Search firm fees 	<ul style="list-style-type: none"> • Interviewing • Testing • Reference checks • Relocation 	<ul style="list-style-type: none"> • Orientation • Direct training costs • Trainer's time • Lost productivity during training 	<ul style="list-style-type: none"> • Separation pay • Benefits • Unemployment insurance cost • Exit interview • Outplacement • Vacant position

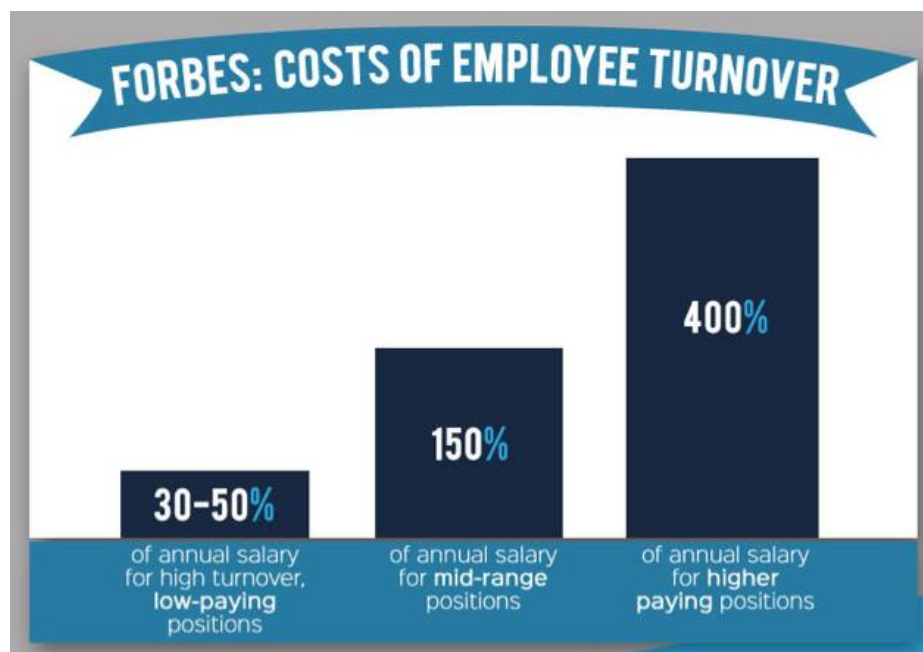
Recruitment Costs are those that an employer incurs looking for someone to fill their newly vacant position. This includes everything from the cost of developing an updated job description to the cost of advertising the position or hiring an executive search firm if the position warrants this level of scrutiny.

Selection Costs are about the time and expense related to interviewing, skills testing, background checks, and legal employment verification. Additionally, relocation incentives may be extended.

Training Costs are in reference to training the new employee, orientation, onboarding, external training, and everything in between. Typically, it will take a year for a new hire to reach their full potential.

Separation Costs are the costs an employer incurs during the process of terminating an employee, including severance pay, costs associated with unemployment insurance claims, the expense of continued benefits, etc.

Productivity Costs are not only the hours of lost productivity that rack up as a position remains unfilled, but also the time other employees spend trying to pick up the slack. But employers do not just lose a worker when an employee leaves – they also all the experience and expertise that employee brought to their job, and any costs associated with employer-provided training.



Annual Employee Attrition Rate ...

Yearly turnover rates can be calculated by taking the number of separations during any given year divided by the average number of employees during that year.

Example: $100 [(20 \text{ employee separations}) / (100 \text{ average employees})] = 20\% \text{ turnover rate}$

The Society for Human Resource Management (SHRM) reported that on average it costs a company 6 to 9 months of an employee's salary to replace them. For an employee making \$60,000 per year, that comes out to \$30,000 - \$45,000 in recruiting and training costs, not to mention the workflow disruption.

Research by SHRM suggests that replacement costs can be as high as 50%-60% with overall costs ranging anywhere from 90%-200%.

These factors include:

The cost of hiring a new employee including the advertising, interviewing, screening, and hiring.

The cost of onboarding a new person, including training and management time.

Lost productivity—one to two years to reach the productivity of an existing person.

Lost engagement—other employees who see high turnover tend to disengage and lose productivity.

Customer service and errors—new employees take longer and are often less adept at solving problems.

Training cost—over two years, a business invests 10 to 20 percent of an employee's salary in training.

Cultural impact—whenever someone leaves, others take time to ask why? What else is in the works?

They can be split into two which are direct costs and indirect costs. The direct costs are those that are, as already mentioned, quite easy to measure while the indirect costs are those that are quite hard to measure.

Examples of **direct costs** are external recruiter and head-hunter fees, advertising and job posting fees, training programs and courses fees, etc.

Examples of **indirect costs** are the time it takes the employee to attain peak performance, time lost interviewing and screening candidates, the time taken to draft the job description, time lost by other employees trying to help the recruit settle into his position.

The impact of staff turnover is significant, it affects all facets of the workplace. Some organizations with a dysfunctional HRM terminate high performance and talented employees in counter-productive ignorance.



THE HIDDEN COST of EMPLOYEE TURNOVER

One of the reasons the real cost of employee turnover is an unknown is that most companies do not have systems in place to track exit costs, including recruiting, interviewing, hiring, orientation and training, lost productivity, potential customer dissatisfaction, reduced or lost business, administrative costs, and lost expertise. This takes collaboration among departments (HR, Finance, Operations), tools to measure these costs, and reporting mechanisms.

Because no two employees make the same amount, the cost of attrition must be calculated on an individual basis but using averages can still give you a ballpark estimate of the true cost of employee turnover. One study evaluating the effects of the US Family Medical Leave Act found that "turnover costs for a manager average 150% of salary, including real costs of hiring... and intangible costs such as the new worker's inefficiency and lost productivity while the job is vacant."

Position Type	Average Replacement Cost
Entry-level/non-skilled	30-50% of employee's annual salary
Service/production	40-70% of employee's annual salary
Clerical/administrative	50-80% of employee's annual salary
Skilled hourly	75-100% of employee's annual salary
Professional	75-125% of employee's annual salary
Technical	100-150% of employee's annual salary
Supervisor	100-150% of employee's annual salary

The distressing thing is that this can easily be avoided. HRM professionals must develop and implement strategic projects to solve these root problems and successfully address the talent retention issues many companies now face. Talent Management Systems are mature and reliable solutions in the toolbox.

In fact, it has been estimated that 77% of staff turnover is preventable, as many employees leave due to reasons such as poor management, an absence of leadership, and a lack of professional development opportunities – all of which can be rectified with the right business decisions in HRM strategy.



Performance outcomes are a consequence of leadership and management ... Positive is good, Negative is not good. Proper managerial training & development will lead to quality performance of all employees. Organizational performance can be better managed with a Performance Management System. If it can be measured, it can be managed.

It is also worth noting that employees during leaving often take customers or proprietary product information with them. And as most of us know, a quick departure can leave a hole in company operations that creates long term harm. The common term is 'brain drain' when employees leave.

Patterns of behavior over time that may seem subtle to you might tip off your boss that you are looking. While it is important to realize that there is no guarantee that employees exhibiting pre-quitting behaviors will leave, those identified as flight risks should be monitored for unsavory behavior. Succession planning for their departure may prevent damages arising from unexpected quits.

Given the negative consequences of turnover, know that your managers and peers are likely watching for obvious and subtle changes in behavior, and that no single action is a dead giveaway. We suggest that you stay engaged with your work, continue to show enthusiasm for the mission of the organization, and project a consistent level of relational energy to the members of your work team.



STOP DRIVING YOUR EMPLOYEES CRAZY

The HRM function can address these 5 disorders:

Organizational engagement, motivation, and results are less about introducing new leadership behaviors, and more about **just stopping the stuff that drives organizational members crazy**.

HRM professionals can correct functionality by addressing these five (5) disorders:

- 1. Unclear expectations:** Most members want to do a good job. They want to contribute and perform well; however, the lack of clarity about what the outcome should be, what the standards are, what success looks like and how they will be evaluated constitutes poor direction and undermines performance.
- 2. Under-utilization:** It is critical that members feel that they are bringing the best they have to offer, particularly as workplace demographics shift toward younger workers. Study after study confirms a connection between employees feeling that their talents are being fully tapped and greater engagement. Under-utilization of skills, capacities, and people sub-optimizes results.
- 3. Unnecessary systems, rules, and processes:** Many organizations find themselves overlaying rules, processes, and systems without thoughtful reconciliation. Duplication, redundancy, and bureaucratic obstacles perpetuate inefficiencies, waste valuable resources, and erode cultural morale.
- 4. Unproductive use of time:** Member frustration builds with wasting time — Meetings that start late, ineffective training, projects that go nowhere, reports that are filed without review or consideration, poor planning that forces people to scramble for no real reason. Sequentially, these negative and detrimental feelings build up over time, undermining organizational credibility and results.
- 5. Unrelenting change:** Sometimes it is just 'change for change's sake' forced upon the workforce. People become change-resistant and internalize a sense of impermanence that causes them to resist or simply ignore the steady stream of changes washing over them. Unrelenting changes hurts genuine organizational transformation efforts. Being asked to change your work location is a major violation.

Keeping pace with a dynamic marketplace demands a commitment to change; yet many organizations have developed an affection for switching things up, redesigning structures, revising the schedule, redefining direction, etc. However, adopting a democratic change management model and engaging members in the decision-making process will add credence to change initiatives.

Employees generally have frustrations with a business that compel them to leave; however, this does not mean that the HRM function is powerless to stop it. The HRM function is exactly the catalyst to success.

Make it a priority to address these five (5) factors that drive members crazy to increase morale and encourage members to contribute their talents to the cause in alignment with performance goals.

Employee Retention Strategy ...

According to Robert Half, an American human resource consulting firm, 38% of employees leave their jobs because of 'inadequate salary and benefits.' While many factors contribute to turnover, competitive pay and benefits can be the difference when it comes to retaining skilled talent.

Promoting from within not only provides a clear path to greater compensation and responsibility, but it also helps employees feel that they're valued and a crucial part of the company's success.

Sound leadership strategy should be to focus on isolating and eliminating the most significant de-motivators; real impediments keeping members from contributing their talents to the cause in alignment with performance goals and objectives.

The next logical question is what you should do when someone you manage is exhibiting these behaviors, or how you should think about them if you yourself are looking for another job.

For managers, our advice is to focus on retaining star employees in the short-term.

Typically, organizations handle a turnover problem with large scale interventions to improve departmental or firm-level commitment, job satisfaction, and job engagement. These strategies may work, but they take time to design and implement. Thinking in terms of the turnover risk of specific employees allows you to invest your time and resources into those employees who create the most value and are at risk of leaving.

There are many ways to invest in employees you fear may be looking: pay increases, promotions, special projects, etc. One technique is to use what are called "stay interviews." Instead of conducting only exit interviews to learn what caused good employees to quit, hold regular one-on-one interviews with current high-performing employees to learn what keeps them working in your organization and what could be changed to keep them from straying.

The basic tenet of managing turnover is that everyone eventually leaves; but the "when" can feel like a mystery.

Best practices on employee retention

Some employee retention tips include:

- Benchmark your employee retention rate.
- Use proven retention strategies, not guesswork.
- Do not assume employees are happy (foster a high-feedback environment).
- Implement a Talent Management program (software solution)
- Conduct exit interviews.

Exit interview: a responsible organization will be interested in knowing why an employee is disgruntled and has chosen to leave their organization and probably take up employment at a rival company.

Therefore, exit interviews are done; to find out why an employee has chosen to leave and see if something might be done about it so that other top talents will not decide to use the door and desert the organization too. Exit interviews, however, come with their own cost in the form of time that could be applied to other efforts. So, yes there is a time cost due to conducting an exit interview.

By sending regular engagement surveys, you can identify and address factors like lack of development, ineffective leadership, and lack of purpose. By gaining a better understanding of your employees' observations, you will be able to get to the root cause of your company's high employee turnover.

The root problem that is evident in each organization is a breakdown in communication between organizational leaders, management, and the members causing a 'Talent Exodus' catastrophe.

All too often, the organizational leaders promise change; however, fail to deliver on that promise.

This is a great example of the problem of organizational change. We have all seen situations where there are obvious problems, where changes are announced and where we know they are not going to “take” because we can see that there is not enough effort underway to make them happen. It is ultimately a lack of will and interest to make the changes a priority. **Organizational members lose trust in their leaders.**

Human Resources Management (HRM) is an umbrella term that encompasses functions that allow organizations to lead their members and manage employee's work. The HRM strategy is create a work environment that is conducive to production and the achievement of business goals. It starts with strategic job descriptions, recruitment and hiring, covers performance management, employee development, and effective communication. HRM is an on-going cycle of continuous improvement.

For most organizations in the United States, performance reviews are used to support decisions related to training and career development, compensation, transfers, promotions, and reductions-in-force or employment termination. Generally, the performance review process includes setting clear and specific performance expectations for each employee and providing periodic informal and/or formal feedback about employee performance relative to those stated goals. Recent trends, however, include a less formalized process focusing on more feedback and coaching, rather than a time-consuming paper trail.

Fortunately, technology is available to keep the HRM function organized and well-managed.



A **performance management system** is a mechanism for tracking the performance of employees consistently and measurably. It allows the company to ensure that employees and departments across the organization are working effectively towards achieving the business' strategic goals.

One of the benefits of integrating a proper performance management cycle plan is an employee who is more aligned with the goals of the organization, who understands both their own objectives and the larger objectives of the organization and has a solid roadmap that will help them achieve their objectives.

A key point is that performance management is a continuous process. The goal of this cycle is to develop and execute employee performance plans. These plans help in focusing employee efforts on achieving organizational goals which, in turn, helps to align employee priorities with the goals of the organization.

Employee job satisfaction and engagement factors are key ingredients of employee retention programs.

However, the payoff of focusing on employee retention—in terms of increased performance, productivity, employee morale and quality of work, plus a reduction in both turnover and employee-related problems—is well worth the time and financial investment. The bottom line is that by managing for employee retention, organizations will retain talented and motivated employees who truly want to be a part of the company and who are focused on contributing to the organization's overall success.



Strategic HR solutions from a qualified company can boost employee engagement, performance and improve team building. Real-time feedback may uncover hidden issues, find solutions to problems, and make sure that your employees feel valued. By utilizing proven performance management tools, you can transform your employees into productive and effective teams. Team building can help your employees reach their full potential, which may lead to increased company productivity and higher profits. And with continuing education opportunities, you will give your employees resources they need to learn relevant information and stay up to date on industry specifications. HRM professionals need development too.

Companies with high turnover rates tend to lose money and eventually, deter top talent. For every employee that leaves and needs to be replaced, the cost is high, and the recovery process is significant. Human resource management business consultants can help you understand the reasons for turnover with a detailed analysis and evaluation of the organizational HRM function.

You might need to increase the salary for certain positions to retain employees, you will save money in the long run. Otherwise, top talent will find a better opportunity and make an EXIT.

While our research should not be considered the only way to identify an employee on the verge of quitting, it does point to a set of behaviors that, taken together, can provide a clue, and it discounts behaviors that have mistakenly been seen as telltale signs. Employee dissatisfaction should be addressed immediately, and reasonable steps taken to resolve the issues.

So, the next time you have an inkling about whether someone is about to leave, know that you may be onto something when you take the right indicators into account. Communication is key to talent retention, otherwise, talented people will feel compelled to explore other opportunities to contribute toward success.

Life, Liberty, and the Pursuit of Happiness ... Freedom in the Land of Freewill Employment.