

## Consider Those Who Stay: What's the True Cost?



As a manager, you've already seen the numbers on how much it costs to lose an employee. If not, just multiply the amount it costs to replace one employee by a mass number of employees leaving, and you have catastrophic damage to your business. It can take 70% to 400% of a person's salary to replace them. When we "run the numbers" for an organization or a department...it's clear that there are much better ways to spend money than to see it walk out the door and leave you forever.

We think there are other ways that lost talent affects you and your team. The people most affected are the ones left behind. Which of these gets the biggest head nod from you? Perhaps you will pay more attention to those who stay vs lamenting those who have left.

**The Treadmill Factor:** This is probably the most obvious and the one that your employees might be feeling (and complaining) about the most. When someone leaves, the work doesn't. It simply gets re-distributed until a replacement is found...or not! (And often it's the "not!") If the work can get done with fewer people, maybe the team can do without that replacement. (Alas...more often the case!) That old image of the hamster on the treadmill is all too graphic and it is precisely why so many individuals complain about burn-out and overwhelm.

**Following the Fearless Leader:** There is truth to the notion that when one goes, others follow! We've seen this happen in a variety of ways. When someone moves on, the new organization often offers a substantial recruiting bonus to that individual. Who's easier to recruit than their old coworkers? Or, perhaps more subtlety, when someone leaves, others who have not thought about it at all...begin to question their own position. We remember the story of a senior manager who said "we can replace him easily" about a respected employee who left. Because that comment entered the organizational grapevine...three others exited with disbelief about the attitude towards talent!

**The Promotion Pool Depletion:** In a world of talent shortages, poaching has become an art for many recruiters. Interestingly, they know who your best talent is, they know who's on your high potential list, and they know who can be seduced easily. With sites like LinkedIn, Glassdoor, and hundreds of job boards around, it has become easier than ever to find the passive job seeker and offer them a better home...elsewhere! This hurts you in numerous ways, especially when a great deal of investment (time, resources, dollars) has been made in a talented individual. And, since this becomes obvious to others, morale suffers. Managers need to ensure that employees feel appreciated and at home before it's too late. The exit interview should be reimagined into a regular check-in where employers ask what is working, what can be done better, and what is needed to make the workplace a place where people enjoy spending their time.

**The Absorption Phenomenon:** Are you one of those who think, there's plenty of talent out there...it's easy to find a replacement if someone leaves? Be honest. If so, just think for another minute. Consider the amount of time it takes to teach a new employee the ropes. No one enters fully up to speed on how you do things. How much time does it really take before someone really knows how to navigate your organization, talk to your customers, integrate with other business units, and move an idea? This all takes more time than we ever think it would or should. And this influences the entire team.

**The Lost Opportunity Conundrum:** There's only so much you can do without the talent that you need to get the job done. There's only so far that you can grow. There are only so many fires that you can put out, and only so many projects that you can take on. When you don't have the talent you need, you can't take full advantage of the income-producing new possibilities that tend to pop up when you least expect them. And, when individuals crave challenge, learning, and applying new skills, the absence of these opportunities is a source of frustration.

Traditionally we have thought of the consequences of losing our talent solely in terms of the cost to replace them. However, we now know that there are hidden costs that have a domino effect on those who are left in the organization. In many instances, new hires are incentivized to recruit people that they know. Overall, seeing a coworker leave can subconsciously and physically have a negative effect. The solution to the Great Resignation is to maintain employee satisfaction before it's too late. It's about being honest or transparent about what's not working and doing more of what is working.