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The Buck Stops Here

[Beverly Kaye and Sharon Jordan-Evans](#)

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Nine out of ten managers think you engage and retain terrific workers with money. They place the responsibility for keeping key people squarely in the hands of senior management. They blame organizational policies or pay scales for the loss of talent. Or they point the finger at the competition or the location. It's always someone else's fault.

But, the truth is that you, as a manager, frontline supervisor, or project lead, have more power to keep your best employees than anyone else. Why? Because the factors that have been proven to drive employee satisfaction and commitment are largely within your control. And those factors haven't changed much over the past 25 years. What satisfies people and, thus, causes them to stay is meaningful and challenging work, a chance to learn and grow, and great people to work with.

Good Employees are Expensive to Lose and Hard to Find

You might be able to replace your talented workers, but at what cost? Countless studies suggest that replacing key people costs one to two times their annual salaries. Consider this:

- Talented people are under constant pressure from competitors to defect.
- Good people are, and will be, more and more challenging to find.
- New hires are demanding 15 percent to 35 percent more in pay than the employees they're replacing.
- High-tech workers, managers, and professionals cost twice as much as other employees to replace.
- Many hidden costs are incurred through lost customers, lost sales, and declining productivity of coworkers and new people.

And, even if you can afford replacements, will you be able to find them? On that, the demographers and workforce pundits disagree. Will we be short 3 million or 10 million workers by 2010? And what about 2012? The mitigating factors (globalization/offshoring, technology advances, delayed retirement, immigration,) are so many and so mathematically complex that some feel a crystal ball would do as good a job as the experts when it comes to projecting the actual number.

What we do know is this. Nearly half of the U.S. workforce will be eligible to retire within the next decade. And when they go they'll take their institutional memory, skills and experience with them. Some futurists have said that the departure of baby boomers from the workforce will create an unprecedented demographic earthquake.

Why Me?

Your relationship with employees is key to their satisfaction and decisions to stay or leave. Consider this:

- One study found that 50 percent of work satisfaction is determined by the relationship a worker has with his or her immediate boss.
- Interviews conducted by the Saratoga Institute with 20,000 workers who had just left an employer revealed that the supervisor's behavior was the main reason people quit.
- A 25-year-long Gallup Organization study based on interviews with 12 million workers at 7,000 companies also found that the relationship with a manager largely determines the length of an employee's stay.
- Research by the Corporate Leadership Council found that a high quality manager is of standout importance in attracting and retaining key talent.
- Research by the authors (over 17,000 respondents) found that most retention factors are within managers' influence.

The Bottom Line

The retention buck really does stop with you. We are not ignoring the impact of senior management and organization policies. But we know you have great power to influence your talented employees' decisions about staying. Show that you care about them and their needs. Remember them. Notice them. Listen to them. Thank them. Love them or lose them.

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Dr. Beverly Kaye, founder and CEO of [Career Systems International](#), a leading talent management provider headquartered in Scranton, PA, is a nationally recognized authority on career issues in the workplace. Her ground breaking talent retention, career development, workplace satisfaction and mentoring programs are being implemented worldwide. Her two most recent books, coauthored with Sharon Jordan-Evans, are *Love'em or Lose'em: Getting Good People to Stay* and *Love it Don't Leave it: 26 Ways to Get What You Want at Work* both published by Berrett-Koehler.

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