

The Art Of Making Employees Stay Put

Gary M. Stern *Fri Apr 11, 5:45 PM ET*

At many businesses, staff turnover is as inevitable as rain in Seattle.

As with the weather, many managers shrug helplessly when valued employees are lured away by better and higher-paying jobs.

But some companies are showing that taking specific steps raises staff retention and curbs turnover.

This means big dividends, since keeping skilled employees often improves customer satisfaction and cuts turnover costs. On the other hand, losing skilled employees bruises a firm's bottom-line by irking customers and hiking staff replacement costs.

Case Study

An example is what happened at Prime Therapeutics, a pharmacy benefits company based in Eagan, Minn. In 2006, the attrition rate for losing contact or call center agents at the firm was 47%.

David Johnson, its senior director of member services, says 93 of 243 full-time agents left the firm that year, disrupting business and undercutting customer satisfaction.

"If you lose someone who has been trained from four to six weeks, it's a significant expense to replace them," Johnson said. In its customer service analysis, Prime Therapeutics discovered a direct relationship between the tenure of its contact agents and member satisfaction. The longer agents stayed on the job, the better they were able to handle issues and resolve them on a first call, Johnson says.

A 2006 study by IOMA, a New York-based business information provider, says companies with good talent management practices retain employees for longer periods and outperform industry averages by 22%. They also save large sums on recruiting and executive search firms.

At Prime Therapeutics, Johnson says 37% of those who left were involuntarily terminated because they didn't meet performance standards or had attendance problems. Of the 63% who left voluntarily, most sought better career chances or didn't get along with the boss.

Training Helped

In 2007, Prime Therapeutics hired TalentKeepers, a Maitland, Fla.- based consulting firm, which specializes in employee retention. The consultant analyzed why staff left, studied the attributes of people who stayed, helped train leaders and revised its recruiting efforts.

Supervisors were trained to develop and coach staff in a talent leadership program. Trained in retention, these managers focused on how to keep workers from exiting. They also learned ways to motivate them. "If someone is thinking about leaving, I want them to go to the leader, say 'I'm not fulfilled, and what can we do to fix this?' before the person leaves," Johnson said.

New opportunities also abound for so-called contact agents. Customers now reach employers via e-mail -- not just by telephone -- so they're referred to as contact, not just call, agents.

The expanded job title allows these contact agents to move into wider areas dealing with quality or members' satisfaction issues. They can also become senior agents who coach and train others.

After almost a year of training supervisors in retention, the turnover rate at Prime Therapeutics fell from 47% to 40% -- a noticeable improvement. "There's no silver bullet" in retention, Johnson said. But he attributes the lower turnover rate to bosses doing a better job of nurturing staff. He also credits efforts by human resource executives to identify and recruit workers who are likely to stay.

Contrary to popular belief, many people don't change jobs because of better pay. Many leave because of discord with bosses, noted Fredric Frank, CEO of TalentKeepers. "You don't leave a job; you leave a boss," he said. If the boss isn't skilled at building trust or developing a climate that challenges and supports people, employees will leave.

The company then juggles the costs of the human fallout.

In TalentKeepers' leader retention training, managers are taught to recognize signs of employee discontent. They're also schooled in ways to build trust by recognizing employees' efforts, not blaming them for mistakes. Other steps include extending employee talents, building high-performance teams, being more flexible and developing ways to make the workplace fulfilling and energizing.

Frank says another way to boost retention is to develop a work atmosphere that stresses fun over drudgery.

Turnover is a fact of life at most companies, says Sharon Jordan-Evans, co-author of "Love 'Em or Lose 'Em: Getting Good People to Stay." "What you're hoping to do is engage talented people a little while longer. You won't get them to stay for thirty years," she noted. Loyalty is based on mutuality in 2008, so if both parties are satisfied, talented employees will tend to stay on.

Do 'Stay Interviews'

Many companies hold exit interviews to determine why employees leave. But Jordan-Evans thinks it's better to conduct "stay interviews." This involves finding out what keeps employees motivated on the job, grooming them for future internal positions, and letting them know you want them to stay, she says.

She says a good example is what happened recently at e-tailer Amazon ([NasdaqGS:AMZN - News](#)).

After five months on the job, an Amazon copywriter was asked by her manager to participate in a career conversation about what jobs at Amazon she'd like to move to in the future. "That prevents quick exits, because research shows most people are vulnerable to leave within their first six months on the job," Jordan-Evans said.


Some people are leaving jobs because they're no longer energized by them, says Brian Kurth, president of Vocation Vacations, a Portland, Ore.-based firm that offers one- and two-day sessions with mentors in specific fields in order to explore new careers. Some employees can't get "passionate about insurance claims, litigation cases, or next term's accounting 101 for the 10th time. They dream about doing something else," he said.

Firms that are flexible, responsive and tap their employee's hidden interests are better able to retain them. "The dream job may be within the company, but in another area," Kurth said. A person in marketing can be trained in HR, for example.

Others can't be kept because they want to become sports announcers, interior designers, horse trainers or chocolateers, he noted. "They're not set out to work in a cubicle," Kurth said. But in four years of Vocation Vacations' existence only 20% to 25% of his clients have left their job.

"The boss is the most important person in the equation. If the boss listens, opens up a dialogue and finds opportunities (for an employee) in the organization, the employee may stay longer," Jordan-Evans said.

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