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Employees Don't Quit:

They Fire their Ineffective Boss.

As the Boomer cohort retires from management roles, they are being replaced by insufficiently trained Millenniums. They may be conscientious enough for the job but are they open to change and to new ideas? Are they skilled on motivating your employees?

You want to retain good people, but your corporate budget does not allow you to be highly competitive.

Employee Commitment and You.

In 2010 the Corporate Leadership Council reported that 27 percent of employees considered "high potentials" intended to leave their current organization, up from 10 percent in 2006. (Allen et al, 2012).

Of course, some employee turnover is welcome. But before you welcome the departure of that employee who is merely "competent," consider this:

> Total direct and indirect costs associated with replacing one employee and getting the new person up to speed can range from 90-200 percent of annual base salary. The higher the base salary, the higher the total costs to replace.

Total costs include costs to fire, costs to search for candidates, lost productivity of other employees conducting job interviews when they could have been doing other work, low productivity of newly hired employees, etc.

Why Do Your Employees Quit?

Inadequate compensation is usually the number one reason given for leaving. Is the stated reason valid? Allen and his colleagues reviewed the most up-to-date research and found that level of pay was only the 30th strongest real reason for leaving out of 41 potential reasons.

Lack of job satisfaction and lack of organizational commitment are far stronger predictors of turnover.

A related set of turnover variables revolve around the boss they just fired. The authors describe this perception as “one of the most consistent predictors of turnover.” Employees do not quit companies. They are walking away from the ineffective bosses you hired to manage them.

How to Conduct Exit Interviews.

If your company really wants valid exit information, retain an outside firm to talk with former employees three months after they have started new jobs. By using an outside firm, participants have greater assurance that their information will remain confidential. It gives them the freedom to discuss how Human Resources contributed to the decision to leave. By waiting until they are re-employed, participants are no longer concerned about damaging references from bosses.

How do you know when it is time to reach out to former employees?

LinkedIn profiles are usually updated in the wake of a new job and this information is sent to first-degree contacts. Become a first-degree contact on LinkedIn and wait for the announcement.

Dr. Curtis Odom is Managing Partner of Prescient Strategists and a professor at Northeastern University. He suggests not bothering with Exit Interviews. His approach is called "Stay Interviews." (2005).

Stay Interviews are a retention tool to allow employees’ opinions to be heard, acted on and cared about while they are still employees. Focus on high-performing, high-potential employees you suspect might be in danger of leaving. The highest at-risk employees are those with five years or less tenure at the company. (Aora et al, 2012).

Take the time to meet with them 1:1 for a Stay Interview to understand what is working well and what could be improved. Consider asking questions along these lines:

What engages you about working here?

What aspects of corporate culture work for you and do not work for you?

When you begin, employees may not trust you enough to be fully honest with you. Be prepared to act on some of the feedback that you get. It shows that you have commitment to listening to their voices.

That perceived commitment will gain you more honesty over time.

Dr. Odom stresses that showing employees that you care about what motivates them is good talent practice. Do not wait until god employees leave to find out what went wrong.

Here is another way of conducting Stay Interviews: have breakfast with employees on their birthday or anniversary of employment. Your HR Department can send the information to you a month in advance. By making this part of a routine, it does not raise red flags when employees are invited to have a 1:1 breakfast with you. It allows you to jump the chain of command structure without creating a crisis.

References

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For a Free Thirty Minute Consult:

Maryanne Peabody
STYBEL PEABODY ASSOCIATES, INC.
Sixty State Street, S. 700
Boston, MA 02109
Tel. 617-371-2990
peabody@stybelpeabody.com
www.stybelpeabody.com
www.boardoptions.com

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