

HR Weekly Podcast September 16, 2015

Today is Wednesday, September 16, 2015, and welcome to the HR Weekly Podcast from the Division of State Human Resources. This week's topic discusses Employee Retention.

The impact of employee turnover can be large and widespread. Direct costs of turnover include things like paying out an employee's annual leave, the administrative cost of separating an employee, and the costs that were incurred in hiring and training the separated employee. In addition, there are costs associated with hiring a replacement including recruiting costs, background checks, and the time spent interviewing and selecting a new employee. While these direct costs can be substantial, the indirect costs of turnover may be even higher. Indirect costs include things like increased overtime for employees who have to take on additional work, costs to train the new employee, and lost productivity as the new employee learns the job. Long-term costs can include disruption to the talent pipeline as employees who may have been future leaders in an organization leave. In addition, there are costs associated in the loss of knowledge as experienced employees and the knowledge they possess leave the organization.

Given the impact of employee turnover, it is important for organizations to take steps to retain employees, especially high performing or high potential employees. The first step in controlling employee turnover is determining why employees are leaving. Determining if there are trends in turnover within an organization will help target retention efforts. For example, a high turnover rate among employees within six months of hire may indicate a problem in recruitment or initial training. Other ways to identify retention issues include employee satisfaction surveys, analysis of leave patterns, for example is turnover high for employees of a particular manager or in a particular location, analysis of internal grievances, stay interviews, and exit interviews. Stay interviews are a structured discussion between an employee and their supervisor to determine what action can be taken to increase retention. Stay interviews can provide particularly valuable information because it allows you to target employees you most want to remain. Also, unlike exit interviews, these employees have an interest in improving the workplace because they are still employed with the organization. There are various resources available to help develop stay interviews and that provide guidance on how to implement a stay interview process.

In addition to determining the reasons employees stay or leave your particular organization, there are also some general reasons that employees stay with an employer. Beverly L. Kaye lists several of these reasons in her book, "Love 'Em or Lose 'Em: Getting Good People to Stay," including:

- Job security
- Location
- Fun on the job
- Great people
- Pride in an organization
- Being part of a team
- Having a good boss
- Recognition for work well done
- Meaningful work
- Exciting work
- Autonomy
- Flexibility
- Fair pay and benefits
- Inspiring leadership
- Career growth

Once you determine why employees stay and why they leave your organization there are a variety of strategies you can use to increase employee retention including:

- Reward and recognition programs
- Orientation and onboarding Programs
- Offering training and development opportunities
- Effective supervision
- Offer promotional opportunities
- Implementing flex time or a compressed work week
- Allowing telecommuting
- Salary increases
- Encouraging open communication

An effective employee retention program can have benefits beyond decreasing turnover, including having happier, more productive employees. Implementing these types of programs can also make you an employer of choice which will make it easier to recruit the best talent as openings become available.

When addressing employee retention issues it is important to understand that not all employee turnover can be avoided. Turnover related to employees retiring or employees who relocate to follow a spouse, for example, are largely unavoidable. It should also be noted that not all employee turnover is bad. New employees bring new ideas and new perspectives to organizations and, obviously, employers would not want to retain mediocre or poor performing employees. Therefore, it is important to focus retention efforts on what can be influenced by the employer and on retaining employees who contribute to the success of the organization.

For additional information concerning retention strategies please refer to the Division of State Human Resources web site, <http://www.admin.sc.gov/humanresources>.

Thank you.