Retention of Key Employees
Posted by Bill Gerneglia - 2007/11/20 14:02

I have always tried to make sure there is a clear path for the
employee to grow in their job in the direction that they are most interested in. A career path is best determined by the employee, then it is the companies responsibility to provide all the means necessary to make sure the employee gains the skills to grow and advance. Mandatory employee training and reimbursement for all training expenses are a good start.

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Re:Retention of Key Employees
Posted by neumeier - 2008/03/13 16:36

A "clear path for the employee to grow in their job in the direction that they are most interested in" can indeed be an effective motivating strategy for employees in any industry.
2 issues with this application for IT professional though:
1) Management structures are getting flatter, even more so in high tech companies or in IT departments. Kinda limits how far you can promote talented people when there are only 2 or 3 layers in the whole organization.
2) IT people jump around. The market is tight (always) and there is always someone out there that will pay a little more then you. You can spend a ton of money training people for their next employer. Just ask anybody who sent their IT staff for Microsoft Certification just to have them all jump ship as soon as they had the cert on their resume.

Soooo what to do? Not sure I have all the answers but creating upwards pressure worked well for me in the past:
Plan ahead knowing key people rotate every 3 to 4 years. For every key IT juggernaut in a department you gota have at least 2 rising stars right behind him. It is even better if the key employee mentors the next generation.
Get rid of those employees who might be holding their own but not really going anywhere. Every junior IT guy should be nipping at the heals of the senior guys. Every senior guy should be vying for your CXO job.
What you get is a natural incubator of IT experts that constantly gets refreshed. Your senior guys move on up to management jobs (probably at a different company) and your junior guys take their place. No 50 year veteran gold watches here, but at the same time you will never be left in a lurch when the only guy who knows how to do X is gone.

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Re:Retention of Key Employees
Posted by goddarj2 - 2008/04/30 13:05

First assuming that everyone is different and has different needs and motivations. I suggest uou could try using psychometric / personality testing to understand each employee. This would tell you what types of motivation would work for each individual.

My preference is KYKO, Know Yourself, Know Others because it tests both high and low values in context of your specific job and assumes unlike others we are all different.

Best regard

Jeff

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Re:Retention of Key Employees
Posted by rkumar@tminetwork.com - 2008/09/26 07:42

Retention has always been as contentious issue as hiring itself. All the tests in the world and a battery of interviews can still allow weeds into the system. I define weeds as " Right Plant Growing In A Wrong Place."

My personal belief is that employees are not connected to their employers but their work. Their passion for their work differentiates them from the colleagues. This is easily visible in the way they speak about their work... and then the employer.

As a retention tool, I take care of the following for these employees:

1. Provide them enough salary that their salary or lack of it does not affect their working.
2. Keep them really busy
3. Keep them in the limelight

Democracy does not aid retention. Your best people should always be more equal than others.

Rajesh Kumar

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Re:Retention of Key Employees

Posted by jrajani - 2008/11/17 21:47

Rajesh,

I agree with your comments above and add that you have to keep your best people in front of you and do what's best for them.

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Re:Retention of Key Employees

Posted by searley - 2009/03/13 12:18

I think you need to keep the person challenged and provide a path for increased economic success. Monetary incentive should be tied to performance but it should always be on the increase if the employee performs. Nothing is worse than creating an environment where there is no reward for taking risk and delivering the goods.

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Re:Retention of Key Employees

Posted by Bill Gerneglia - 2009/04/15 16:19

According to CT Partners

Retaining top talent is always a big challenge for senior executives, but it is especially so during hard economic times. This study asked CEOs for their top challenges during a recession:

* 35%, retention of talent
* 20%, relationship with investors
* 18%, preserving/improving company reputation
* 16%, globalization.

Are these similar to your IT Retention priorities?

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Re:Retention of Key Employees

Posted by luisieh - 2009/05/03 06:59

I've got an extremely lean and flat organization. This presents interesting challenges because typical corporate development schedules do not apply. In fact, they do quite a lot of damage to the organization and people in it.

I lean toward the view that retention of key employees (most anyways) is a "daily" job. At least frequently where you speak to, have serious and transparent discussions of the employee's concerns. Most of the time we don't have these because we are all so busy, but people management is/should be one of the top "to-dos" items. Besides, CIO's never achieved anything without a team so one ought to provide sufficient TLC to the team members to ensure one is not a general without troops - which I've seen far too often.

Once this behavior is embedded in our actions, the positive work culture gets spread around and retention issues become less urgent. And the plus side is that the team is likely to be a high performing one.

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Re:Retention of Key Employees

Posted by ronkost - 2009/05/08 10:34

Searley, well said! I couldn't agree more.

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Re:Retention of Key Employees

Posted by jmottl - 2009/05/28 10:36

I agree it has to be a daily job. Key people are those who enjoy being challenged, and who thrive on accomplishment and if those two aspects get out of reach 'key' people leave -- so leadership attention is critical as is consistent and good boss-staff communication.

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Re:Retention of Key Employees

Posted by caragarretson - 2009/06/18 22:16

I'm curious how difficult this daily "retain key employees" mantra is to live up to in the current environment....with layoffs and pay reductions happening, does working regularly to keep your key people mean extra work for you, especially if you're already doing the job of three people? Obviously it's time well spent, since with lean staffs you want to have the right people still working for you, but what about management's morale?

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Re:Retention of Key Employees

Posted by RedConn - 2009/06/29 12:06

Unlike professional athletes, workers don't always jump ship when somebody offers them more money. If they're comfortable and engaged where they are--and see a path for advancement--they tend to stay put.

Giving folks ownership of their jobs has always worked well for me. Let them have as much say as possible in how they go about their work, and in particular, give them plenty of rope if they're top-kicking a specific project.

I've found most workers really do a whole lot better, and are lot happier, when they feel that they're responsible for their jobs. If you've got them to where they're constantly looking over their shoulder, I think they're likely to leave when an offer turns up.

Micro-managing is toxic.

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Re:Retention of Key Employees

Posted by caragarretson - 2009/07/26 21:20

Finding a balance between micro-managing and not giving enough feedback is a tough job. Perhaps the most effective (albiet time consuming) approach is to have a sense for what employees prefer, and the type of management they thrive under, and treat them accordingly. But again, these lean days have everyone, including management, doing extra tasks so this type of individual asessment probably goes by the way side.

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Re:Retention of Key Employees
Posted by ciony - 2009/08/09 22:14

A few ideas for retaining key employees:

- Let them explore their passion at work, assuming it is professional in nature. If they are Agile buffs but Agile hasn't been adopted in the company, let them lead the pilot effort.
- High performers can sometimes become victims of their own success; if they are the best Java developer, they may only be given Java projects. Give them stretch assignments that encourages them to grow in ways they might not otherwise get a chance to do; ie. give a senior developer an opportunity to manage.
- I agree with the sentiment of retention being a 'daily' task; engage with your staff and get to know them as people...developing a genuine personal bond will not only help retention but will make many other facets of the workplace better as well.
- Compensation, training, etc. are the formal hallmarks of retention programs, but I think that work/life flexibility is a facet that often gets overlooked and is especially being clawed back in these economic times. Offering flexible work schedules, telecommuting, casual dress, etc. are all meaningful tools in the retention arsenal and in my opinion frees people to devote more of themselves to their work as barriers are removed.

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Re:Retention of Key Employees
Posted by ronkost - 2009/08/10 08:35

Mr. Kauber, I agree flexibility is sometimes overlooked. I find it interesting this conversation is taking place. Few people would have been worried about retention of key employees back when Mr. Gerneglia started the thread. Perhaps this is a sign of things getting better? Either way, the old adage holds true... Good help is hard to find in any economy.

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Re:Retention of Key Employees
Posted by caragarretson - 2009/08/10 11:33

Either way, the old adage holds true... Good help is hard to find in any economy.

Gartner recently released a report about the importance of holding on to key employees even during this economy, particularly in a few key IT disciplines where finding skilled AND experienced workers is tricky:
http://www.ciozone.com/index.php/Career/Six-Hot-IT-Specialties.html

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Re:Retention of Key Employees
Posted by ciony - 2009/08/10 13:32

I agree that the adage that "Good help is hard to find in any economy" is certainly true; for CIOs it would be nice if it were a constant truth as opposed to a sign that things are improving...we should always be focused on this. The productivity difference between a high performing and average employee can be orders of magnitude different, even though the perks offered to the high performer rarely are different on that same scale in IT. I think a lot of folks come to particularly appreciate the productivity difference when they get a little too ambitious with outsourcing plans.

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Re:Retention of Key Employees
Posted by caragarretson - 2009/08/12 08:00

The productivity difference between a high performing and average employee can be orders of magnitude different, even though the perks offered to the high performer rarely are different on that same scale in IT

Do the high-performing IT employees know that they are doing a stellar job? If perks tend to be the same for high-performing and average employees, how are the former rewarded? Does praise help?

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Re:Retention of Key Employees
Posted by meggebrecht - 2009/08/12 08:31

In my experience, more productive employees tend to find themselves taking on greater responsibilities. That, in itself, can be a kind of praise. But it's a special leader (in IT as well as other departments) who is able to make outstanding but averagely compensated staffers feel that their effort is truly recognized.

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Re:Retention of Key Employees
Posted by yoonsie - 2009/08/18 20:05

Yes, meggebrecht, I completely agree; a great but unrecognized employee is a disgruntled employee--one who's probably looking for another job right now (and we all know how expensive it's going to be to replace that person.)

On another note, might another retention tool be constant education and training? Technology advances so quickly, and I would imagine offering educational opportunities that expand top employees' skills might make them feel they are noticed and being groomed for further success.

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Re:Retention of Key Employees
Posted by caragarretson - 2009/08/25 07:58

That's a good point, I think if a valued employee feels he/she is getting extra training/education that not everyone else has it might bolster them. Besides, getting something 'extra' in this era of cut pay and benefits would be welcomed, I would guess. Perhaps the important thing is that the company then utilize the new skills/education that this employee has acquired, so that the employee truly feels valued (but not overworked - that's a tricky balance).

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Re:Retention of Key Employees
Posted by LaurenB44 - 2009/09/29 15:50

I really like this comment. It's useful and not at all predatory. Not everyone is alike, or processes information in the same way or has the same interpersonal style. Yet an organization with diversity can truly thrive.

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Re:Retention of Key Employees
Posted by yoonsie - 2009/11/10 23:07

An essay this month in The McKinsey Quarterly offers some great tips based on a global survey of senior leaders and HR managers on nonfinancial ways to motivate people. According to the piece, "Motivating people: getting beyond money," the authors raise the important point that motivating employees and retention of top performers are closely linked. "Organizations face the challenge of retaining talented people amid morale-sapping layoffs that tend to increase voluntary turnover over the medium term. Often, top performers are the first to go."

(You can read more on motivating employees from this article under the "How to Motivate Workers in Tough Times" conversation.)

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Re:Retention of Key Employees
Posted by yoonsie - 2009/11/18 15:45

A study that just came out by Development Dimensions International, a talent-management consultancy, surveyed individual contributors (people in non-leadership roles) that offers some alarming perspective on the way average workers feel about their job situations. Eighteen percent of the survey participants say they "want to leave but the economy prevents it." When asked what they were likely to do as a result of feeling stagnant in their jobs, the top answer (44 percent) was "look for another job when the economy improves." Bottom line: employees don't feel fulfilled because they're not being challenged enough.

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Re:Retention of Key Employees

Posted by yoonsie - 2009/11/29 18:22

Another important step to keeping key people is intelligent use of metrics. Might it be worth taking a look at existing performance metrics and reconfiguring them to be more useful? I mean, it's great to measure retention rates, for example, but are people also tracking which people are staying? That is to say, are the right people -- the top performers -- staying?

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Re:Retention of Key Employees

Posted by ciony - 2009/11/30 00:01

Assuming that the studies are accurate that there is a healthy percentage of the workforce committed to taking new jobs when the opportunity presents itself, many of these will undoubtedly be people that an organization would want to keep and some percentage of them will find that their new opportunity is also not to their liking. How should organizations respond if a high performer leaves, and then decides that the grass wasn't greener and wants to return? I have seen response to this situation run the gamut, from vilifying the former employee to welcoming him back with open arms. In my opinion, the key to addressing this situation is understanding why the employee left and whether those same factors are still an issue.

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Re:Retention of Key Employees

Posted by caragarretson - 2009/11/30 07:54

I think if a valued, performing employee leaves for greener pastures and finds out he/she isn't happy, the employer should welcome him/her back. My guess is the employee who left and returned would work even harder (a bit of repenting, maybe) and assuming the employee was a performer to start with that's only good news. I don't think companies should hold grudges against employees who leave on good terms, though I see it happen all the time.

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Re:Retention of Key Employees

Posted by yoonsie - 2010/01/31 18:44

I've been interested lately in neuroscience research and its applications in management. (I just wrote an article about it which should appear in the next day or two.) I spoke with Charles S. Jacobs, the author of Management Rewired: Why Feedback Doesn't Work and Other Surprising Lessons from the Latest Brain Science, a book that appeared on a number of year-end best-business-books lists in December 2009 including CIO magazine's. He told me about a CEO he's been working with. A couple of weeks ago, this CEO was trying to get employees behind his proposed new compensation structure. He couldn't understand the resistance he was encountering. He didn't know how to make it more clear to them that under this structure they would actually make more money. Ultimately he realized that making more money isn't what drives people.

Without getting into the scientific details, the brain produces pleasure when a person is fully engaged in meaningful work--some studies even suggest this pleasure is chemically similar to the pleasure we feel when we eat a great meal or do other pleasurable things. On the other hand, financial "carrots" actually de-motivate people, because, sensing greater pressure, the threat response kicks in.

I realize this is easy and tempting to dismiss out of hand; who doesn't like more money? So I want to clarify that I'm not saying financial incentives don't work -- they do when employed the right way, i.e. with the emphasis placed less on the money and more on the recognition of good work.

Just something to ponder.

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Re:Retention of Key Employees

Posted by jimfinnan97 - 2010/03/23 14:37

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FYI - From Sam Geist - motivational speaker...

Whenever I speak about the necessity of maintaining employee productivity I mention the 41Â¢. (Stats show that out of every dollar marketers spend, 41Â¢ is for employees' salaries).

I ask them,, what they're doing to ensure that their money is being well spent.

They've told me that the easiest way to get their money's worth is to engage their employees--keep them fully committed to their organization.

While it is not a simple task, the rewards are so significant it certainly deserves the effort.

I asked program participants to tell me what has worked in their company and all their responses seem to come from the same place.

* "Show them you care about them as real people, not just employees."
* "Ensure that their work is meaningful."
* "Recognize their performance when they do it."

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Re:Retention of Key Employees

Posted by mhenricks - 2010/04/01 13:49

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Openness is at the root of the most successful retention policies. When people are kept in the loop, they feel involved, they know their place and importance to the organization, they see accurately where they may be able to go with the organization. Any attempt to increase retention by keeping secrets is doomed to long-term failure. At best, employees will (rightfully) feel deceived if they aren't accurately informed about organizational decisions and prospects.

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Re:Retention of Key Employees

Posted by caragarretson - 2010/04/01 15:31

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I agree, but I also think that practically speaking there have to be limits. I think a company should be as open as possible, but when there are instances in which executives can't share information for business/confidentiality reasons, employees need to understand that, too.

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Re:Retention of Key Employees

Posted by srw134 - 2010/04/02 18:06

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I think fundamentally many managers have no idea how to make their employees happy, but they do know how to make their business profitable. This seems to be a situation which exists market wide. In all the companies that I have worked for only one really did this well and made me want to work for them and this was done with a top down management approach which involved the employees in the businesses functions and strategies. And yes there is always going to be a limit on what communications are open but these items are much fewer then many people think.

-sean

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Re:Retention of Key Employees
Posted by yoonsie - 2010/04/26 14:56

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srw134, I totally appreciate your thought that a lot of managers "have no idea how to make their employees happy" -- keeping your staff happy is something people talk about all the time but it's definitely easier said than done. I just want to throw out a couple things that I think are often taken for granted.

To keep your best people, managers should think about what kinds of things would drive them to quit. One thing employees hate, especially the top performers, is micromanaging. They also don't like it when they feel their manager doesn't give them a clear picture of what direction they want their team to go in and what they expect from them. They hate it when they keep changing the plan on them. They want to be praised. And they want to be excited about their work. That excitement should be generated by the manager.

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Re:Retention of Key Employees
Posted by yoonsie - 2010/04/26 16:50

By coincidence, after I posted my previous reply, I found the new Harvard Business Review in the mail, which features an article, "How to Keep Your Top Talent." In addition to reiterating the things I mentioned before like recognizing the achievements of top performers and keeping them engaged, the article offers a few more-interesting tactics. For one, the article says, don't assume current performance will translate into high performance in the future. "Explicitly test candidates for...ability, engagement, and aspiration." Another tip is to manage high potentials at the corporate level, instead of leaving it to line managers.

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Re:Retention of Key Employees
Posted by srw134 - 2010/04/27 02:50

This is one of those things that I really don't see as hard, the problem that seems to have happened is that many managers are either not taught or not taught well how to deal with people. They tend to focus on the business side which is fine but typically at the cost of the employees. The good managers these days seem to be naturally good at this type of interaction. I believe that this can be taught but it does require much better teaching at all levels including the most revered schools.

-sean

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Re:Retention of Key Employees
Posted by yoonsie - 2010/04/27 11:42

Sean, good point. What's more -- and I don't know whether you would see it the same way -- when you say "many managers are...not taught well how to deal with people," to me that goes right along with the HBR article's tip about not assuming current high performance predicts future potential. It's important to remember that if you're grooming a top performer to move up, you have to get them acquainted with next-level challenges. Managers who can't deal with people clearly didn't get that from their own managers as they advanced.

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Re:Retention of Key Employees
Posted by yoonsie - 2010/04/29 14:41

I took a closer look at that HBR article and noticed a statistic I'd missed before: 30 percent -- almost one-third! -- of star

performers are disengaged from their jobs. Disengagement, as we've seen in content throughout this site, can lead to everything from under-performance to resignation. Quitting, of course, is the last thing we want from our key employees. Fortunately, engagement is something employers can manage -- as long as they pay attention, notes HBR.

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Re:Retention of Key Employees

Posted by srw134 - 2010/05/30 00:25

This is something that really does not surprise me, many of the highly talented engineers in the consulting industry are bored allot of the time and it is hard to keep them occupied to a point of non-boredom. There are only a very few companies out there that I have seen manage this well and keep the employees interested, in will be interested to see which ones are better at this as the market gets better. Many people have not jumped ship up to this point because jobs were more scarce.

-sean

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Re:Retention of Key Employees

Posted by yoonsie - 2010/05/31 09:03

Would you say then that disengagement (in the form of boredom) is in some way endemic to IT talent, since so much of IT work is project-oriented and therefore has a kind built-in vulnerability for boredom?

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Re:Retention of Key Employees

Posted by srw134 - 2010/05/31 17:04

For some, but I don't think that it is endemic. Most people would not get into this work unless they liked it. There are always going to be those who are unhappy with it and probably should look somewhere else for work. I have been a consultant and a typically employee and they both have their advantages but they are definitely different work. As a consultant, your life has much less risk of becoming boring as you typically jump around more and have to change your focus much more often. However, this work does get old after a while because it is nice to see something created and maintained that is your own.

-sean

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Re:Retention of Key Employees

Posted by yoonsie - 2010/06/01 13:15

I think this would be a good example of managers' responsibility to keep their top people engaged. Work gets old, but if we're talking about your top people, a manager's job is to be aware of the potential for boredom in those key employees and give them more and better projects to call their own.

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Re:Retention of Key Employees

Posted by srw134 - 2010/06/01 16:59

Along with this I think that the managers have to realize that work is not only about work. Meaning that it is also their job to maintain a good working fun environment to keep everyone engaged. Have the monthly paintball fight or dinner or whatever to keep everyone in the spirit of things.

-sean

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Re:Retention of Key Employees
Posted by yoonsie - 2010/06/09 04:54

You are right, Sean, and I would only add to your point that the key is that the manager's efforts have to come from a sincere interest in the welfare of his team. I've seen workplaces where the manager does this kind of thing because he thinks he's supposed to and the employees see right through it. They roll their eyes, sneer behind his back, and their sense of disengagement is in fact compounded.

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Re:Retention of Key Employees
Posted by yoonsie - 2010/06/09 05:00

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incidentally, I wrote my latest blog post on "job crafting," based on an article in HBR this month. I interviewed the author, and we talked about (and the article mentions) how enabling job crafting is a great free way to reengage employees. Job crafting is basically taking the freedom to focus on the things that interest you within the confines of your job. My post is called "The 'Job Entrepreneur.'"

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Re:Retention of Key Employees
Posted by srw134 - 2010/06/09 05:11

I totally agree, I think we have all had at least one of these managers

-sean

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Re:Retention of Key Employees
Posted by caragarretson - 2010/09/01 09:10

Lately I've been looking into the issue of succession planning, which is one way to retain key employees by outlining how you see them fitting into the future of the company. An interesting point is the idea of 'bench depth' to cultivate leaders for tomorrow and beyond so that if your superstars leave, you have layers of promising employees to replace them. Not only is this important for the continued success of the department, but also to let young up-and-comers know that the company is interested in their advancement and will (hopefully) give them to tools (training, mentoring) needed to get there.

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Re:Retention of Key Employees
Posted by srw134 - 2010/09/01 19:22

I used to work for a company which was exceptional at just this. Each of the junior level engineers was "crafted" into a better engineer from all that worked with them. This included the management with soft skills and fundamental job requirements and with the technical staff which worked on making them a better consultant/engineer. They were ahead of their time then and unfortunately probably still our with most companies today.

-sean

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Re:Retention of Key Employees
Posted by mhenricks - 2010/09/27 16:34

I just filed an article, which hopefully will be posted soon, about Adobe, Apple, Google, Intel, Intuit and Pixar settling a federal complaint by agreeing not to set up no-poaching deals between themselves. Google said it's not the only one, while the Justice Department said it's continuing the investigation.

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Re:Retention of Key Employees

Posted by srw134 - 2010/09/28 05:00

Well this sounds like an interesting read, I know these types of issues were always interesting to wade through in terms of politics, especially as a consultant where we where always in and out of other companies.

-sean

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Re:Retention of Key Employees

Posted by sediga - 2010/09/28 10:11

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interesting read, but not sure if this pact only applies to the C-level management. If so, that makes sense. If this is for engineers and lower level folks, my only question is, how??

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Re:Retention of Key Employees

Posted by caragarretson - 2010/10/12 06:09

I used to work for a company which was exceptional at just this. Each of the junior level engineers was "crafted" into a better engineer from all that worked with them. This included the management with soft skills and fundamental job requirements and with the technical staff which worked on making them a better consultant/engineer. They were ahead of their time then and unfortunately probably still our with most companies today.

Interesting - a wonder if this company's emphasis on employee development had a positive impact on the company's business and bottom line? My guess is at minimum it helped employee morale (I think people are happier when they realize management wants them to grow and succeed) and productivity, too.

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Re:Retention of Key Employees

Posted by mhenricks - 2010/10/12 08:50

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caragarretson wrote:
Interesting - a wonder if this company's emphasis on employee development had a positive impact on the company's business and bottom line?

Your own comment is also very interesting, reminding as it does that the essence of management is the ability to get people to do more and better work without it costing any more. If you can do that, you are an excellent manager. If you can't, you aren't. The means are almost entirely secondary to the ends.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/12 20:37

I think that the whole philosophy had many advantages including the ability to make the employee's happy which translated into better engagement ratings. These better ratings could of course be sold as a bonus selling point for our services. Much of the time I think that the sales were made not by a traditional sales team but simply by word of mouth.

-sean

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Re:Retention of Key Employees

Posted by caragarretson - 2010/10/15 06:32

I think that the whole philosophy had many advantages including the ability to make the employee's happy which translated into better engagement ratings.

To what do you attribute this company's approach to cultivating employees? Do you think it was something the CEO valued and therefore promoted throughout the ranks, or was it something else? I'm curious what factors you think created to this positive culture.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/15 17:04

I think that this was a philosophy which began with the CEO and president of the company and went from there. The company began relatively small and always highlighted this environment to all of their new employees and especially to their new managers. As an engineer/consultant, this was one of the first things I was introduced into. As well, soft skills with clients were taught and a large focus was put on developing these skills along with our technical skills which we were, of course, also required to have. I am sure there are some other companies out there that do business in this way but I have not found another since.

p.s. This company was bought several years ago by a large vendor, this vendor promptly destroyed this environment I am talking about.

-sean

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Re:Retention of Key Employees

Posted by mhenricks - 2010/10/19 16:28

It does seem to be tied to the attitude of the CEO somehow. Yesterday I was interviewing people at filmmaker Robert Rodriguez's studio and was struck by how happy and laid-back everyone seemed. Rodriguez kept talking about doing things "because it sounded like fun" and came across as very low-key. Yet everyone also talked about being willing to work seven days a week, 16 hours a day when necessary. The studio is known for bringing projects in under budget, which is unusual in the film industry. And most of the creative and management people there have been there for 10 years or more. When I asked how this all came to be, they said, "It all starts with Robert." I'm not sure exactly what that explains, but it does suggest that the place to start looking for the magic ingredient is at the top.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/19 21:51

This I think is very true, the true employee attitude in most companies comes from the direction of upper management. As well as upper managements ability to instill this same attitude into the lower levels of management. I have known many companies who had great upper leadership but the lower management never seemed to be on this same page and thus most of these good attributes were lost by the time it got to the employees.

-sean

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Re:Retention of Key Employees

Posted by ciony - 2010/10/19 22:24

There is no doubt that a good leader is an important factor in retention; while a CEO sets the tone for an organization, I think the distance between the key employee and the leader in question is more important. Rodriguez's studio is probably fairly intimate in size so he can make a personal connection with most of the staff; in a larger organization, the CEO is not going to have that luxury even if he tries, and so the relationship with lower level managers becomes more important, especially with the direct manager. I've seen some very dysfunctional organizations, some of which stemmed from the CEO level, where the lower level management was able to serve as a buffer and retain talent.

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Re:Retention of Key Employees

Posted by mhenricks - 2010/10/20 10:43

It's correct that at Troublemaker Studios everything goes directly through Rodriguez. Several people talked about how they were always able to reach him to ask a question or to get something checked out. It was very striking to see how devoted everyone was, how happy they seemed to be, and how efficient the organization seemed to be. How this can be translated to an IT organization is something of a mystery, but I guess at least part of the explanation is to have a person in charge who inspires confidence and who is available to lower-level people to pass on that confidence.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/20 16:52

This is the part that seems to happen much easier when small shops but it considerably harder in the larger environments. I have seen it done however so it is possible, and that gives me at least a little faith. The hard core focus on the profitability of companies over everything else these days seems to kill this vision from the start. Seems to me, sometimes you have to spend some money to make more later. By helping your employees learn and become better at their jobs in a good environment you setup more money coming in. If this is a consulting gig, this comes back in better reviews and more business. In a standard company, this comes back in dedication and time spent helping the company (on or off the clock).

-sean

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Re:Retention of Key Employees

Posted by caragarretson - 2010/10/25 06:29

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p.s. This company was bought several years ago by a large vendor, this vendor promptly destroyed this environment I am talking about.

This is a shame. I agree with the comments above that the smaller the company the easier it must be to have the CEO's vision permeate through the staff. But larger companies would no doubt benefit from attempting to find a way to make the CEO's positive impact felt throughout the ranks (and not just in a company newsletter). I agree that one workable solution is the management in between, who have more day-to-day contact with the staff and -- assuming they buy in to the CEO's vision -- can help promote it.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/25 21:27

I think what it comes down to is the building of the management team as a whole. If the CEO or other executives with good characteristics become complacent and allow the hiring of questionable middle and lower management then they really get what they pay for. If it is dictated from the top that the management buys in to the philosophy and it is solidified by training and other activities (retreats or corporate teambuilding...) then the company will be more successful in maintaining the vision.

-sean

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Re:Retention of Key Employees

Posted by caragarretson - 2010/10/27 06:13

Agreed. But in the case described above, where a company that had a CEO who valued employees and let them know it, but then was acquired and that philosophy was squashed, I think the acquiring company lost a significant amount of value in the purchase by not recognizing (or caring) that the CEO's vision was a shared one.

On the other hand, I'm sure this shared vision is much easier to maintain in a smaller company than a large corporation.

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Re:Retention of Key Employees

Posted by ciony - 2010/10/27 15:51

The unavoidable, and frankly scary, thing is that the culture of a given workplace is significantly impacted by the demeanor of the individuals that lead it and comprise it, and the culture is subject to change as the cast varies over time. We can communicate, train, and use every other technique in the book to influence things positively and establish a core culture, but those techniques are likely going to only move things a few degrees from the initial starting position of the individuals involved; the most important thing in my opinion is hiring well and trying to assess fit up front, but that is an imperfect process. If new leadership comes in via M+A, etc., everything is up for change. It's a somewhat random dimension of risk that affects our satisfaction in every workplace, and can never be eliminated completely.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/27 16:02

Well it is something that is certainly hard to maintain unless some effort it put into it. Just establishing it and leaving it alone will not be maintained for that long as it will then quickly change to the separate priorities of the individual managers. However, if there is strong leadership from the beginning and maintained throughout then it is possible to maintain the culture regardless of the company size. The hiring process is very important as the culture must be established as soon as they step in the door.

-sean

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Re:Retention of Key Employees

Posted by mhenricks - 2010/10/28 12:14

Probably worth noting that all this takes time. Even the most dynamic incoming CEO can't instantly replace or re-educate every manager at every layer, even in a pretty small company. And that is probably what it takes to completely evolve a corporate culture in one direction or the other.

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Re:Retention of Key Employees

Posted by srw134 - 2010/10/28 18:35

Very true, this is something that is really hard to change when coming into an existing company. I would think that a lot of money and retraining would be required to change the attitude of a large companies management.

-sean

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Re:Retention of Key Employees
Posted by caragarretson - 2010/11/05 07:13

Just reading about Vineet Nayar, CEO of Indian outsourcer HCL Technologies, and his book Employees First Customers Second: Turning Conventional Management Upside Down. http://www.vineetnayar.com/outlook-business-magazine-on-the-shelf-featuring-employees-first-customers-second-book/And interesting look at how a CEO turned his company that was running out of steam into a performer again by shaking up conventional wisdom regarding hierarchy, management, and accountability.

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Re:Retention of Key Employees
Posted by srw134 - 2010/11/07 18:28

It is certainly good to see that some of these management officials really can learn the true value in their employees various interests into something that can jointly help both the organization and the individual. Unfortunately, we are still at a point (especially in the US) where the employee is simply viewed as a cog and not as an individual in most organizations. This attitude may work for some people, but for many it just drains the life and enthusiasm out of the work experience.

-sean

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Re:Retention of Key Employees
Posted by rapidsphare - 2010/12/31 01:11

Retaining Employee Programs have never been kept in place traditionally. However, things have changed in the job scenario in recent years and now, especially in the prominent metros, employees are basking in new found market value. There is no dearth of employment opportunities and when it comes to keeping and holding back the best, employers are stretching way beyond in the effort. It is very important for small, medium and large scale employers to retain key employees and treat attrition troubles. The current job scenario has major HR Department hawks, intensely competitive and poaching from each other, if need be. The entrepreneur can choose to either hold on to productive employees or lose them to competition. Now, with their worth well known and bargained, employees too refuse to stick to an employer for years, if there is a better choice beckoning out there.

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Re:Retention of Key Employees
Posted by srw134 - 2011/01/02 08:07

This is all very true, this is the key point in making the employee want to work for a specific company and not just work for a company that happens to need their specific skills. If the job feels like a fast food job in terms of motivation to go there then it will probably not be a place that employee stays. These programs are even more important the more specific the job skill required.

-sean

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Re:Retention of Key Employees
Posted by yoonsie - 2011/01/03 20:12

Sean, your comment reminds me of my latest post. It's about the advantages of seeking out employers you want to work for rather than looking for job postings. You can read it here:

http://www.ciozone.com/index.php?option=com_myblog&Itemid=626&show=New-Year-New-Job-Search-Approach.html

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Re:Retention of Key Employees

Posted by mhenricks - 2011/01/04 15:52

As near as I can tell, the easiest, cheapest and most effective way to improve employee retention is to make them feel appreciated. This can be done by informing them about organizational goals and progress toward those goals, making sure they know how their role affects organizational progress and giving them a part in the decision-making process even if it is only keeping them up to date on what's being decided. Other techniques such as boosting compensation and adding training tend to cost more.

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Re:Retention of Key Employees

Posted by robjvargas - 2011/01/05 16:28

This, I think, cannot be overemphasized. A vibrant structure of communication can make employees feel involved in their own success, as well as the success of the corporation, and I think it encourages loyalty, even in tough times. Employees with a stake in the success of the company, even when only by feedback, are going to try to stick around, and the key ones will fight harder for success.

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Re:Retention of Key Employees

Posted by caragarretson - 2011/01/06 06:51

It appears to be a good time to focus on employee retention: Challenger, Gray & Christmas report
that downsizing activity in 2010 fell to its lowest level since 1997, marking the the lowest monthly job-cut total since 2000.

According to the press release:
"Further job-search competition will come from people who are currently employed. They may have already seen some of their colleagues move to greener pastures, so they will be even more tempted to test the waters in 2011. Companies that are not quite ready to accelerate hiring will be required to focus more energy on retaining existing employees." said Challenger.

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Re:Retention of Key Employees

Posted by srw134 - 2011/01/06 20:36

I think having a financial stake along with involvement with the company are the big factors here. If you have an option or share of the company then it is always in your best interest to do your best for the company. By not linking these two together, as many companies don't, employee's may like the company but their stake is limited to a routine paycheck. Adding this extra, I think, adds that final component for many people.

-sean

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Re:Retention of Key Employees

Posted by robjvargas - 2011/01/07 00:48

I actually think this is relatively little value anymore. It has *some* value, certainly. Ever since the dotcom bust leading into 2000, stock options, shares, they have value, but relatively low priority.

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Re:Retention of Key Employees
Posted by srw134 - 2011/01/07 01:25

Simply stated, if an employee does not have a stake in the company, financially or otherwise, the motivation to stay there is minimal. To say, employees having a stake in the company is of little importance is short sighted at best.

-sean

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Re:Retention of Key Employees
Posted by ciony - 2011/01/07 07:09

If we are talking about 'key' employees whose cost of replacement far outweighs the cost of retention, than I agree that in an ideal world it is imperative to combine a sense of psychological buy-in to the company that is coupled with equally attractive financial compensation. One factor without the other leaves the door open and I have seen many talented people opt to take that door; this is one of the factors that existed at IBM in the early '90s.

The change in tax treatment has complicated the use of options as an incentive vehicle, but they still have value; however, in my experience, options are only a meaningful retention vehicle if given in sufficient number and even the key employees at the lower levels of an organization tend to suffer in that regard. Organizations that offer a bonus that is payable in a mixture of either cash and/or options can help finesse this issue.

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Re:Retention of Key Employees
Posted by srw134 - 2011/01/07 20:56

My argument here is not for any specific financial incentive, but for a financial stake in the company. While in public companies options exist like stock options, stock, stock purchase discounts... and in private companies possibilities exist like profit sharing to name a few. My point was that without a financial stake in a company an employee does not have the same incentive to stay as when they do. Without this in place the employee simply has a stake in their salary, but their salary is not typically contingent on the state of the company. If you do have shares for example, then it is in your best interest to make the company do better as your share rises with the companies. If your stake is limited to your salary then you only have to worry about the company going under, but until that happens your salary stays rather constant.

-sean

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Re:Retention of Key Employees
Posted by robjvargas - 2011/01/07 22:22

I just accepted an offer from a private company that offers quarterly bonuses, and is offering a small number of options, although there is no IPO that I've seen in the discernable future.

So yeah, there are ways for getting that financial stake across to employees.

US Cellular, arguably the largest non-national cellular carrier, has had several profiles of its "Dynamic Organization" model in business press, and it seems to have done a very good job of getting psychological buy-in as well.

Both ideas certainly have a place. I did not mean to assert otherwise.

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Re:Retention of Key Employees
Posted by srw134 - 2011/01/09 21:24

I guess my purpose was to inspire some of the management that reviews these forums to use these types of tools to

keep their existing talent. It does not take an employee getting rich to keep them engaged and loyal to a company. It is these little things which keep them from moving around. Good communications and engagement with the employees, good benefits, as well as other additions like financial stakes and team building all keep employees engaged and interested in staying and helping their company do its best.

-sean

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Re:Retention of Key Employees

Posted by ackieMartinez - 2012/02/27 17:01

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I would like to share one of Employee Retention Strategy - Investing in Employees Professional Growth and Development. In this employer pays partial or full program Fee (for various distance and part time MBA, PhD and Short Courses) for their employees with the intention of their personal growth and retention. Below are some major advantages for employers with sponsored courses

1. For example, If an employer is sponsoring a 2 years MBA, which would cost somewhere between INR 30,000 â€“ 40,000, the employee will be retained for 3 years, i.e. 2 years while doing the course and 1 years of contract after finishing the course.

2. Employees would be motivated with the fact that employer is sponsoring / investing in their personnel development and growth.

3. When a senior person leaves the company, employers would be paying huge amount to recruitment agencies for replacement. This can be avoided by sponsoring courses and there by employee retention.

4. In many consulting and services oriented companies, clients are charged on number of employees and hours worked for them, and the charge rate of the employees would be based on the years of experience and their education qualifications. So, companies can be benefited by high charge rates, if their employees have higher education degrees.

Employee retention, especially your best and most productive employees is a key challenge in organizations today. Organizational issues such as personnel development, training, and knowledge updating are crucial for employee retention. Failing to retain a key employee is costly, various estimates suggest that loosing middle managers, team leads and project managers, costs an organization up to 100 percent of his salary. The loss of senior productive employees is even more.

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Re:Retention of Key Employees

Posted by MayraJadan - 2012/05/14 11:11

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According to me it is the best way to increase productivity of any firm.Employees works more passionately in the field of their interest.

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