Managing employee retention

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Have you ever asked your employees "what keeps you at this company and what might entice you away"?

Common answers include:

- Exciting work and challenge
- Career growth opportunity
- Great people
- Fair pay
- Supportive management/a good boss

Drawing from primary and secondary research involving IT leaders, this article discusses factors influencing employee turnover and strategies for retention. While this research was focused on the IT function, many of these factors apply to the organization as a whole.

What factors impact employee turnover?

a) A tactical IT environment

If companies do not see or value how IT fits into their organization's strategy and staff work largely on tactical projects, then motivation is likely to suffer. Without the opportunity to shape and execute strategic initiatives, staff can feel that their role does not add significant value or provide growth opportunities, particularly if industry peers are working on new developments.

b) Changes in leadership

The departure of an established leader or introduction of a new leader(s) generates uncertainty, particularly among those who may feel their role is compromised by the staff change. It is important to manage end-to-end communication around leadership changes and the process of transition. Once the change is planned, it makes sense to communicate the pending change to employees, the rationale for it, and how this is likely to impact them, including positive outcomes (growth, increased opportunity) that may result.

c) Changes in organization structure

Changes in the business as a whole, or directly impacting the IT organization create doubt. Obvious examples are outsourcing, and merger and acquisition; however, it is not just large scale business initiatives that create uncertainly. Restructuring an IT department to streamline operations or align IT more effectively with the business can result in changes to roles and responsibilities that can make staff wary about their future; unless both the rationale for change and their future role is clearly communicated, staff will make their own interpretations.

d) Cost cutting, leading to reduction or cancellation of planned IT projects

When companies seek to reduce costs, initiatives that don't directly impact the bottom line are the first to be impacted. Large or new IT initiatives can fall in this category. The cutting of new developments can impact morale and interest, particularly if employees see this as impacting their skill development and marketability.

e) Lack of respect (for your boss)

A key differentiator in why someone stays with an organization is satisfaction with his/her boss (Bethanis, 1999).

In companies where employees feel they are not treated with respect – including where management does not seek the opinion of employees, staff can become disengaged. One way leader(s) can win trust is by living up to the commitments they make to their organization (Stern, 2008). This does not mean leaders need to be infallible, more so be people who live up to their commitments, and who visibly lead and try to do the right thing.

Being proactive - What can be done to retain key employees?

Companies that proactively manage these challenges, improve the chances of retaining key employees.

a) Ask – what keeps you?

Why do we ask great questions in exit interviews but neglect asking early enough to make a difference? (Kaye, Jordan-Evans, 2005)

Ask your key employees what keeps them at your company and what might cause them to leave. Don't leave it until the exit interview.

b) Communicate your organization's strategy

Make sure all employees know the vision and mission of the organization and your IT department. Communicate how each individual's role and projects tie into the overall strategy of the company to reinforce the value each person brings. This is often gets done for new joiners and at the beginning of a financial year, but needs to be repeated through the year both as a reminder and to provide updates on any changes.

c) Align employees' interests with their roles

Be proactive and get to know your employees. Figure out what motivates them and shape their roles to meet those needs. Ask employees about what can be done to enrich their jobs. Is it the opportunity to do cross functional work? A job rotation? Technical training? Start working towards putting those opportunities in place and get staff involved (accountable) in this process.

d) Deal with bad news

During periods of downsizing, not all employees will be salvageable. The key is to identify those players that you can't win without and to avoid losing them. This may require transitioning these individuals into a new business function or department, or incorporating new responsibilities into

their roles (Kaye, Jordan-Evans, 2005). By taking the time to understand an employee's personal interests and goals, you will be more successful in identifying appropriate transitions.

e) Stay in touch

Communication doesn't end with conveying your organization's mission. Ongoing, informal communication is equally important for ensuring that employees remain satisfied with their roles and have the resources they need to perform well.

Give employees plenty of advance notice about key decisions affecting their jobs and the company's overall direction. " If the employee does not feel informed about what is happening, they will not feel as though they are part of the company and will not want to stay in the long run" (Curry, 2004).

In addition, let your employees know when they're doing good work. Don't wait until the formal review process to say "thank you" or "job well done."

f) Develop your leaders

Providing leadership development support can help raise the performance, capabilities and growth opportunities for staff. It also demonstrates investment in their future. A leadership and performance plan can be jointly developed with each manager, aligned to company and department goals, and can incorporate objects around results, leadership behaviors (e.g. risk taking, innovation) and areas for professional development (e.g. learning about a line of business or function). This can also help more technical staff to develop and grow their management skills.

It is also important to check in with employees for formal and informal catch ups, providing the opportunity to give and receive performance feedback and to discuss strategies for their long-term career development. Make sure employees have manageable expectations about their roles and career trajectories. They must understand that they are ultimately responsible for their own progress and should be vocal about their needs (Cook, 2007).

g) Provide a mentor

In additional to providing leadership development programs, companies are using mentoring, not only to transfer skills and knowledge, but also to inspire new hires and emerging leaders. Internal and external mentors can act as role models, support calculated risk-taking, get to know and nurture unique skills and abilities and pass on experience and learning from undergoing similar workspace transitions – as well as provide encouragement.

Summary

This article examined factors that pose challenges to IT employee retention, including a tactical environment, cancellation of key projects, and poorly communicated organization and structural changes. It then looked at strategies for maximizing the chances of retaining your key IT professionals. These include asking "what keeps you?" communicating your organization's business and IT strategy, aligning employee interests with their roles, staying in touch and developing and mentoring your leaders.

Making these commitments will not only boost your retention rates, but will strengthen your firm's reputation among prospective employees.

References

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