



TenStep Supplemental Paper

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Enticing Talent

Companies are increasingly seeking newer ways to tap floating potential. Consequently, hiring has become a critical aspect of talent management. Hiring managers are working harder than ever before to getting the best-of-breed into their fold. The hard work is surely paying with potential employees joining hands with promising employers. However, the party seems to be rather short lived.

A study on employee turnover and retention strategies reveals that the attrition rate among star performers is the highest. The logic is well understood but definitely not justified. The effort that organizations put in to hire potential employees is far too much to be compensated by the short stints that high potential employees make.

What is driving good employees out is a question that most employers are asking. Logically analyzing this problem, the reasons lie well within the basket of HR issues. The issues that employers once used to lure potential employees have turned to play the spoilsport.

Staffing troubles

Hiring managers are having a tough time comprehending the real reasons for high employee turnover among high potential workers. The situation is highly challenging since the problems are camouflaged in the basic HR practices being followed in the corporates. Therefore, it is important that employers keenly observe the implementation processes being followed to discharge HR related functions.

To give employers a better insight to their staffing troubles, we present an account of issues and remedies that could help combat problems to a certain extent.

Compensation and pay structure

A survey conducted on the impact of compensation on employee retention reveals that more than thirty percent of employees surveyed admitted that they worked for better pay packages. This reinforces the need to build better and more attractive compensation structures.

Most employers claim to be paying well in line with the industry standards. However, despite their efforts they fail miserably on this account. Superficial study of industry trends, half-baked analysis and duplicated compensation structures are some of the reasons for compensation failing to retain high potential employees.

Below are some guidelines that may help employers frame more effective pay packages:

- Industry surveys, compensation trends, and other pay-related data should be well-researched and extrapolated to see if they fit into the corporate structure. Mere duplication of compensation structures that have been used in the past may not always hold.



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- Business objectives and individual employee goals should be well-aligned. Mismatched goals can disrupt employee performance levels, thereby hurting employee compensation.
- Exit interviews should be conducted instead of considering them as another run-of-the-mill act. The data gathered through exit interviews provides a better insight to staffing problems and also leaves cues to their solutions.
- Frequent employee surveys on the components that would help employees stay motivated can help employers customize their compensation structures.

Relationship management

More than 29 percent of employees surveyed admitted that they felt rather unimportant and disrespected at the workplace. Maintaining fair and healthy working relationships is a critical aspect of employee retention. Employees are sensitive about the way their supervisors treat them. Having strained working relationships can adversely impact employee morale thereby motivating employees to leave.

Supervisors should therefore be extremely careful in building their work relationships. They can nevertheless maintain a healthy working relationship between the supervisors and employees by following these tips:

- Provide coaching and training to supervisors in skills like leadership, communication, and interpersonal relationships. In addition, employers can add “quality of work relationships” to their list of performance parameters and integrate it with other components of variable pay.
- Build an open and transparent system of communication where employees feel free to discuss issues and problems hurting their performance

Reinforce company goals, mission and vision

Communicating corporate objectives regularly through an effective network of communication is critical for employee retention. Further, employees also quote prompt recognition of work as an important employee retention strategy. Supervisors and employers should be forthright in their communication skills and use them as and when required.

Guidelines for better communication:

- Top management involvement in reinforcing corporate objectives and vision is important since it imparts a degree of seriousness to the entire process. Further, supervisors should articulate the goals and objectives such that employees are able to relate to them and identify their role in achieving these objectives.
- Supervisors should break the macro level objectives into function-specific micro-level corporate objectives enabling employees to frame their own set of personal goals in line with these objectives.



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- Publicly acknowledge employee contributions by stating how they helped the company achieve its objectives. This way, other employees would get an insight to how they could also play a role in attaining business objectives, and the employee being recognized would continue to contribute.

It helps to be proactive

Do not wait for a crisis to hit you. Instead, meet the impending challenges head on before the problems mount to spell disaster. Hiring managers should stay on guard, watching for any indication of staffing shortage or any other staffing crisis. Acting in time can save a lot of trouble for both the employee and the employer.

With the emergence of the new breed of knowledge workers the staffing problems have increased manifold. Hiring managers today have to be doubly cautious and work harder to devise new and more innovative methods of employee retention.