



## TenStep Supplemental Paper

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### Retention Management Model

Employee retention is always the prime concern for organizations in today's tight talent market. Effective companies say that, despite the competition for talent, their retention efforts are generally effective and require only minor adaptations to stay competitive. This is primarily because of their proactive approach to retention issues.

What sets them apart is their focus on four interrelated areas:

- Creating a retention management model that views retention as an outcome, not a program
- Redefining HR and managerial roles
- Defining and marketing total rewards as the vehicle to deliver the new deal to employees
- Establishing appropriate measurement tools

Through such efforts, a number of high-tech companies have successfully marketed themselves to employees as employers of choice and then delivered on that promise. Most of them do not offer highly unusual or rich programs. Instead, they design their programs to meet employee needs.

#### Creating a new model

Traditional HR objectives in terms of attracting, selecting, rewarding and retaining the best hardly improved the quality of the employees hired and did even less to ensure that they stayed. A better option is to use a new, more sophisticated model that begins with retention, ensuring that all programs are in alignment with the desired outcomes of having an enduring pool of top talent.

The model involves:

- **Marketing the Best Programs.** Sophisticated companies are preparing integrated marketing strategies to make new and prospective employees aware of what the company has to offer.
- **Ongoing Recruiting to Hire the Best.** Successful companies recognize that recruiting is not an on-again, off-again activity. Although they are not always short on skilled employees, they understand the cyclical nature of employment. Therefore, they are on the lookout for talent even in periods when they are laying people off or redeploying them.
- **Never Take the Best for Granted.** This notion comes from the customer satisfaction movement, prompted by recognition that retaining repeat customers is critical to sustaining profitability. This is true of employees as well. Ensuring that one does not take the best for granted requires vigilance and attention to detail.



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- **Retaining the Best.** Ultimately, the new model focuses on retaining the best rather than striving to retain everyone. This concept is easier to express than to implement, but companies that embrace this notion consider it critical to creating a high-performing organization. The notions of retaining the best by definition dictates having systems that help identify the best performers and people with high potential. It also means being forthright in demanding superior performance levels.

Most companies have some way of measuring retention performance. Some of them collect a wide variety of retention-related data and go well beyond the company's turnover rate so that they can answer the "who, what and why" questions at a moment's notice. These companies have a keen understanding of the full range of metrics required and the power of measurement in building and sustaining a successful retention strategy.