



TenStep Supplemental Paper

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Targeting Turnover with Career Path Programs

Innovative HR practices not only reap rewards for the company that conceptualized them, but also to the entire HR community. The primary objective of innovative HR practices is to add value to the bottom line of the company.

Effective HR practices provide financial advantages as well as reduced employee turnover. Consider a company in Atlanta with a turnover rate of 41%, considered average for their industry. The company's HR department was not satisfied being "average" – they wanted to achieve a low turnover rate. To accomplish this, they began to ask employees what kind of training programs they wanted to attend in order to gain something from the company.

First, the company started off by providing on-the-job training, which proved to be the most effective way of learning for new entrants. A year later the turnover rate came down to a straight 10% from 41%.

Second, employees felt that career development programs would be of great interest to them. The company also began to organize sessions on career development, which covered the current trends and opportunities in the publishing field.

Another initiative, called the G.R.O.W. program (which stands for Great Rewards, Opportunity and Wisdom), was implemented by the company. The program was developed to reward employees for professional development. Employees earned a certain number of points for any activity they participated in. These points could eventually be cashed in for gift vouchers and holiday packages.

The performance review process was also reviewed critically for the benefit of employees. Appraisal forms were modified to include career path decisions for employees. The company also included an upward assessment in which employees rated their supervisors. This method gained immense popularity among employees.

All of these changes were clear indications that management cared about the employees' long-term perspectives, and this drastically reduced turnover rates.

If companies begin to take such initiatives, it makes the work place an exciting one for new entrants and old employees. Employees will feel that they make a difference in the work place and that their contributions will be recognized by the company.