

Keeping the faith



By Don Smith & Kristina Vohma

Keeping employees in the competitive, cut-throat modern workforce requires instituting a rewarding office culture and providing the opportunity to advance. Hiring a talent manager can ensure this happens.

The days of staying at the same company for years and years are over. And the typical employee life cycle—the time spent with a given firm—is getting smaller over time. Unless employees are given an environment where they can thrive, they are likely to tune out, become stressed, leave the company or wait around for a severance package.

By ignoring an employee's fundamental human

needs for growth, development and achievement, an employer can face serious problems. For example, by promoting managers who frequently display both anger and irritability, they inadvertently foster an environment of stress and fear among subordinates. As a result, employees may lose their enthusiasm and energy and take stress leaves on the advice of their doctors. Or, young, successful

The employee, their manager, and the organization all have to pull their weight.



executives might leave their jobs to join competitors.

A common story in many workplaces is that of the talented employee with a lot of potential who is not thriving on the job. While it is true that employees are responsible for their own career development, without support from the employer, how can they be expected to effectively link their skills with corporate requirements? Employers need to help mentor and support their employees, especially when things are going off the rails. They need a commitment to career development and the help of a talent manager.

EMPLOYEE LIFE CYCLE

Studies such as ones from the Saratoga Institute—a division of PricewaterhouseCoopers—as well as many others have shown that the first three years on the job are the most critical in moving an employee towards fulfillment and productivity. These are also the years where organizations can directly minimize the cost of benefits and improve their return on investment by implementing several key developmental strategies. Once recruited, the cycle begins:

1. Getting started – During the first 90 days, the employee is in the exciting discovery phase, looking forward to fitting in and learning the ropes. Knowledge of the company routines is low but motivation to learn is high. It is essential to provide good quality orientation, clear expectations and ongoing coaching to ensure they are on the right track.

2. Fully operational – The second phase, from 12 to 18 months, is the most critical. Employees have made it through assimilation and productivity is up. Expectations rise and they begin to seek more responsibility and challenge. Without developmental conversations with their superiors and others, the employee's talent potential is at risk. Unfortunately, it is during this phase that many

employers stop paying attention to the employee, assuming that if the employee can do the job, there is no need to intervene.

3. What's next? – After three years, under the best of circumstances, employees have mastered the work and stakeholder relationships and are delivering mature productivity. Motivation is high to strengthen long-term career development.

The wise employer should be making a key decision: pay attention to the developmental needs of the employee. Unfortunately, the more common path is to leave the situation to chance. But during this period, high performance employees are at risk of leaving, once they run out of gas and can't find a refill.

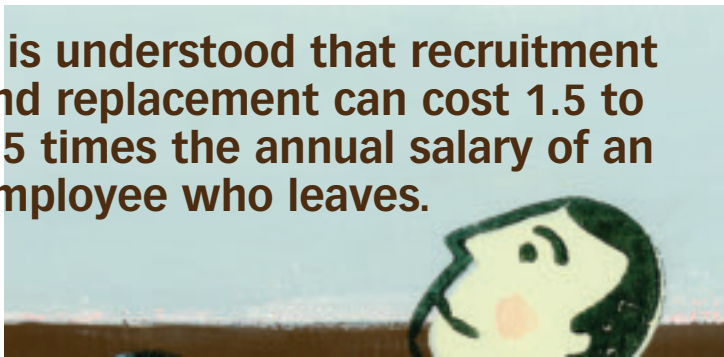
WHY DO EMPLOYEES STAY OR LEAVE?

The answer is as varied as there are motivations and environmental circumstances. Few people in responsible positions want to join a new employer and then drift. Most are looking for a meaningful challenge and want to see the results of their work. Career ambition is a given. *Working Today: The Towers Perrin 2003 Talent Report* states that the reasons employees stay are “strong leadership, opportunities for advancement and development, as well as a sense of control over their jobs.”

The Hay Group's (a global HR consulting firm) study, *The Retention Dilemma: Keeping Your Best People*, also supports this finding, noting that employees usually leave because of dissatisfaction with their immediate manager. This study finds that up to 70% of an employee's work environment is directly attributable to management style.

In all fairness, the employee, their manager and the organization all have to pull their weight.

It is understood that recruitment and replacement can cost 1.5 to 2.5 times the annual salary of an employee who leaves.



And the Towers Perrin study finds that only 63% of executives and 29% of managers or directors are productively engaged in their work.

Put another way, 20% of employees are highly engaged in their work and 17%—or one in five—are disengaged. Clearly, help is needed—from all parties involved.

First, the employee's perspective needs to change. With increased global competition, technological advances and a workforce that no longer expects "lifetime employment," many employees are treating their career development as their personal responsibility; they have low expectations that the employer will help.

Other employees have unrealistic expectations about advancement and take no responsibility for managing their own careers. And while self-management is difficult if the employee gets little or no feedback from their manager, many employees fall back on the traditional assumption that: "My boss will be looking out for my best interests."

Next, the manager needs to be play a more important role. In recent years, the job of developing and retaining high potential employees has fallen onto the shoulders of their immediate manager. But how prepared are these managers to manage? How much does the typical organization invest in training new managers to handle this responsibility?

The reasons why many managers fail to deliver quality employee supervision and career development are many and varied, including:

- They are too busy focusing on achieving business objectives;
- They do not have enough time to develop their staff, nor themselves;
- They have little or no management training or career development,

- They are technically excellent in getting the work done, but not good with people;

- There is no organizational policy, incentives or funding which support employee career development within

the company.

The fallout from this policy vacuum and absence of good management can be that some employees will tune out, take sick, become disruptive in some way or leave. The Hay Group study shows that one-third of employees is planning to leave within the next two years. Therefore, if employers do not add value to career development, they are at risk of losing some of their best talent.

THE COSTS

It is generally understood that recruitment and replacement can cost 1.5 to 2.5 times the annual salary of an employee who leaves. But the distress can be much greater if the departure of a valued employee was foreseeable and preventable—especially if the key reason for dissatisfaction with the company is the employee's immediate boss.

When a firm loses a key employee emotionally or motivationally, through resignation or termination, it loses their experience, thinking and future contributions as well as their relationships, cultural memory and influence on other employees. Losing talented employees can also damage a firm's reputation as an "employer of choice."

Talented employees who have become disengaged, frustrated or distressed—but remain in the workplace—usually impact the morale of other team members, and a vicious downward cycle begins. There are considerable human and organizational costs associated with job stress, including depression and burnout, ulcers, low job satisfaction, absenteeism, turnover, decreased productivity and health problems.

Unless senior management commits to making career development a priority and rewards the talents of its staff, high performers will continue to tune out or leave. Or worse yet, they will stay and

Every management team should think twice about ignoring the underlying causes of high turnover, as well as severance, recruitment and benefit costs.

get by while being emotionally disengaged, unmotivated, or even disruptive.

WHO CAN HELP?

How nice it would be for companies to—as Jim Collins (co-author of *Good to Great*—a five-year research study of 28 identified elite companies who made the leap from good to great and sustained those results for at least 15 years) advises in his book—...“get the right people on the bus, the wrong people off the bus and each person in the right seat.” Most executives and HR leaders would like to do this. But as we know, employers regularly lose the “right people” who happen to be in the wrong seats or were ready for a seat change, but the organization wasn’t paying attention to their needs.

A designated person or a team is needed who will be responsible for implementation of a career development policy. Some companies (any employer, whether in the private, public, not-for-profit or agency sector) assign a senior human resource employee or other executive to provide this care as a talent manager (TM).

While an internal talent manager brings the advantages of in-depth knowledge of the office, such as its culture and people, all too often employees are cautious because they question the impartiality of that individual.

The talent manager concept is similar to the Employee Assistance Program (EAP) model, with two key differences. First, the TM can intervene rather than waiting for the employee to call. Second, the TM’s focus is primarily on career, productivity and motivation issues.

Even if an in-house HR specialist has the capability to provide a TM or EAP service themselves, there is a strong argument for the service to be provided by an external resource. This bypasses the actual or perceived conflict-of-interest issues that can occur when the ser-

vice is provided by an internal resource.

Role of Talent Manager:

- Conducting confidential one-on-one assessment including the use of psychometric instruments and 360-degree surveys (customized one-on-one inter-

views or online surveys) as applicable;

- Mapping out individual career development plans;
- Facilitating meetings between manager/HR/employee for organizational support;
- Coaching and following-up.

To prevent staff from leaving, there must be a designated champion of the employee, sustained support from senior executives and funding for a career development policy to succeed. Otherwise, other activities will inevitably take higher priority and this will lead to the withering of career development as a fundamental value of the organization.

Deloitte & Touche, at the June 2003 “Career Connections” conference, presented findings gleaned through exit interviews that showed people were leaving to take jobs they could have done at Deloitte. They found there were no clear, confidential ways for employees to explore internal positions. By reviewing the results of their *Global People Commitment* survey conducted in 2002, they found that employees were asking for career development.

Every management team should think twice about ignoring the underlying causes of high turnover, as well as high severance, recruitment and benefits costs. It is wise to invest in practical programs, based on executive-driven career development policies, whereby the employer takes an ongoing interest in productivity, relationships, ambition, and distress signals, particularly amongst senior staff. Recruiting a talent manager as a company-paid benefit is one way of keeping one’s staff for the long term. Sounds like a benefit whose time has come.

BC

Donald Smith, is a Career Management Fellow and certified mental health professional in Toronto and Kristina Vobma, is a national certified career counselor and president of the Toronto chapter, Association of Career Professionals International. don.smith@sympatico.ca, vobma@sympatico.ca