

White Paper

October 2005



Authors:

Lynn Lehman, M.Ed.
Director of Marketing &
Program Development

Richard A. Pierce, Ph.D.
Co-Founder & Senior
Consultant

Increasing Employee Retention Through Supervisor Development

Solution Focus Areas:

Engagement / Morale
Recruitment/Hiring
Turnover / Retention
Leadership/Supervision

*For more information, contact
Lynn Lehman at 717-512-7531,
or
Lynn@RisingSunConsultants.com*

Visit our website at
www.RisingSunConsultants.com

“Increasing Employee Retention ...”

According to several highly respected research firms (e.g., The Gallup Organization and The Saratoga Institute), the primary reason behind voluntary employee turnover is a poor relationship between the employee and their supervisor. While this finding may surprise some business leaders, consider this...how many of us in our working lives have asked for a transfer, resigned from a job, or have at least pondered one of those actions because of a supervisor we did not get along with - one who did not have effective management and/or people skills? Turnover, as a direct result of unskilled supervisors, is a problem that companies have been experiencing for years.

If, like many other organizations, you are dealing with this type of problem and want to reduce the high costs of turnover and employee disengagement, there is a solution. The following five step approach, if implemented thoroughly and thoughtfully, will not only improve retention, but will also increase revenue, morale, and productivity.

Identify the Problem: Are you aware of why your employees leave your company? According to TalentKeepers, while most organizations keep records of turnover numbers, less than half track turnover by department and even fewer by supervisor. Before launching this five step solution, you need to be sure that you have the problem in the first place. Use a thorough exit interview process to identify the reason behind your employees’ decisions to leave. Survey your staff and determine if there are concerns about supervisor skills and/or relationships. If the questions are designed well and implemented with clear communication as to the purpose of the inquiries, you should gather good data that will indicate whether supervisory skill is an issue that must be addressed.

Recruit, Hire and Promote the Right People: When establishing the skill set needed by your supervisors for the recruitment, hiring and promotion processes, be sure to include not only the knowledge and skills related to the job function, but also relationship-focused talents such as building trust, communication, flexibility, and focusing on employee strengths. These may seem like soft skills and unnecessary for the recruitment and hiring process, but remember that the lack of these talents leads to a high percentage of turnover. Think of these as *retention skills*, and make sure candidates are selected with them in mind.

Set Clear Expectations: Once hired or promoted, new supervisors should experience a solid orientation program that lays a foundation of clear expectations in three key areas: the organizational culture (mission, vision, strategic plan), the job function (knowledge and skills connected to the product or service of the business), and the leadership qualities desired in the organization’s supervisors (behaviors and attitudes that build employee engagement). New supervisors must know up front exactly what is expected of them in order to maximize their success in their new roles.

Provide Ongoing Professional Development: In order for any professional development program to be truly effective, it is essential that it be directly connected and related to the objectives of the organization. Assuming the vast majority of companies assert the goal of increasing revenue, it would seem common sense to build the skills and knowledge necessary to combat those factors that decrease revenue, which of course includes employee turnover. The ideal professional development program is a systematic and systemic curriculum that includes learning opportunities, coaching and mentoring to teach the concepts of retention skills.

Design Performance Evaluations that Link to Retention: It is rare for companies to set turnover reduction goals as part of their annual plan. However, this seems counterproductive since the average cost to replace a single employee typically equals the amount of one year’s salary for that employee’s position (The Saratoga Institute). When considering the money being laid out to replace employees, it would behoove all business leaders to make certain that turnover reduction is added to both their organizational and individual goals. Of course, leaders at all levels must then be held accountable to the achievement of those goals. One method of accomplishing this is by adding the retention goals to their individual performance evaluations. Effective evaluations require the goals to be written out in clear and concise terms, the outcomes to be measurable, and the consequences (positive and negative) to be clarified and then enforced. One measure to determine success - to connect back to the first step of this process - is to track turnover by connecting exit interviews to supervisors.

This five step approach to supervisor development represents a holistic systems approach to reducing turnover in organizations. You could take pieces of this process and implement them and you may encounter temporary success, but for long-term impact, all components of the process must be addressed. It takes time and commitment from organization leaders, but it will be well worth the investment in the end.