

# HR Managers as Employee-Retention Specialists

*Roger E. Herman*

Workforce stability is once again a front-burner strategy in corporate America. In fact, employee retention is a key issue for top executives in employer organizations around the world. This refocus is a departure from the lack of concern about employment that we have seen in the past four years.

A weak global economy during the first part of this decade led employers to reduce payrolls, hire relatively few people, and treat employees as a replaceable commodity. Bosses pushed for high productivity, generating stress in the workforce and creating hostile workplace environments. Seeing few opportunities for meaningful work in their current jobs or in positions at other companies, employees felt trapped. With few opportunities for movement to new jobs, a buyer's market in labor prevailed.

In the employment world, a buyer's market is very different from a seller's market. Employers are in the driver's seat, with workers forced to take whatever jobs are available, under whatever conditions employers impose. Employers—the buyers—control compensation, working conditions, and job design. They ask the interview questions and make the hiring decisions.

A seller's market in employment is dramatically different. With an abundance of jobs, *employers* must compete to attract and hold the talent they need to fulfill their mission—to serve their customers. When

employers are eager to hire more people, workers are in the driver's seat. They ask the questions in the job interviews; they pick and choose where they work. Employers offer all sorts of incentives to attract and hold needed employees.

During the seller's market of the late 1990s, workers became accustomed to moving freely from job to job. The economy was hot, and plenty of jobs were available. If you didn't like your work, your boss, or your commute, you could move to another organization with little difficulty. Most employers found it difficult to build teams—people just weren't around long enough. Mission accomplishment was hampered by a lack of workers to complete the tasks required.

During the latter part of the 1990s, employers invested considerable resources in employee retention—until suddenly the need was no longer there. Just as competition for good people was really heating up, the economy took a nosedive, and employers were relieved of the need to engage deeply in competitive retention.

## **HISTORY IS REPEATING ITSELF—BUT WITH COMPLICATIONS**

The economy is growing again. Since the mid-1990s, world conditions have changed, fueling economic growth on a global scale—a bit more cumbersome, but deeper and

stronger in the long term. Although we don't yet see the symptoms of a hot economy as we did a decade ago, the consequences are present nonetheless. Here's why.

Current economic growth is creating more jobs—jobs that have to be filled by qualified, skilled workers. The availability of employment opportunities is already stimulating increased movement of workers in most fields as talent migrates to new positions. Throughout this decade, job changing will accelerate, stimulated in part by more aggressive recruiters. With positions that must be filled for employers to accomplish their missions, employment specialists will be expected to do *whatever it takes* to find qualified people and get them on board. *The employment marketplace is about to shift into overdrive.*

Complicating the challenge of attracting a sufficient supply of qualified workers—and persuading them to stay—is a supply problem.

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We are on the threshold of the most severe shortage of skilled labor in history. Estimates suggest that we could face a shortfall of up to *ten million* skilled workers by the end of the decade. Combined with turbulence in the labor marketplace, this lack of viable applicants will confront many employers with the most dangerous crisis they've ever faced. Without enough qualified employees, any organization will be in trouble. Achieving work objectives will be difficult, as will any kind of serious recruiting. Candidates' eyebrows will rise when they learn that few, if any, current employees have intellectual knowledge about how the company is supposed to operate.

Under these circumstances, recruiting becomes more difficult—and more expensive.

To make matters worse, too many executives are virtually unprepared to take the necessary policy and leadership steps toward workforce stability. Consequently, their managers will tax the available resources to get things done—if they can even meet corporate objectives in the first place. By not addressing these issues strategically and deliberately, executives who can't or won't respond to retention issues will put their companies at risk. In effect, they'll kill their companies by their lack of response (see [www.CorporateSuicideWatch.com](http://www.CorporateSuicideWatch.com)).

Savvy leaders recognize that when they have trouble attracting qualified workers, employee retention is their most productive policy.

## EXPERTISE TO SUPPORT MANAGEMENT

In our consulting work and in our speeches, we emphasize that employee retention is not a human resources issue—it's a management issue. Unfortunately, few managers—from front-line supervisors to CEOs—have been trained in the fine art of *leadership applied to retain talent*. These leaders, from the operational level to the strategic level, need knowledgeable specialists to guide and advise them in fulfilling their retention responsibilities. Managers who are held accountable for the stability, tenure, and productivity of their employees will need assistance and support in meeting this additional performance expectation.

## A NEW SPECIALTY EMERGES

The stage is set for a new specialty to emerge from the human resources department. Meet

the employee-retention specialist, educated, trained, certified, and dedicated to helping management:

- Prevent and reduce unwanted loss of human and intellectual capital;
- Increase bottom-line profit and improve financial performance by reducing costs related to employee turnover; and
- Improve workforce performance (quality, stability, engagement, and productivity).

In some organizations, employee-retention specialists will play a functional or even a managerial role in the human resources department. In many cases, they will report to the chief human resources officer. In recognition of the strategic importance of this work, some employers may elevate the retention-specialist position to a vice-presidential level. These practitioners will be valuable sources of information about the external employment environment, internal conditions within the organization, appropriate policies and techniques, and access to best practices in the field.

Dena Glass is excited about her work as an employee-retention specialist at Marion General Hospital in Marion, Ohio. She reports to the director of HR, who reports to the chief executive officer. In the recent past, Dena has been quite busy revamping the orientation program, managing the outsourcing of exit interviews, and engaging in 90-day follow-ups with new hires. Those new hires are probably pretty happy, because they've already participated in lunch check-ins after one week and again after two weeks. During these conversations over a meal, new employees are asked if their employer is meeting their needs, if their expectations are being met. Dena will start "stay" interviews by mid-2005.

We will also see employee-retention specialist positions created in critical departments where it is important to have jobs filled with minimal turnover. Nursing departments in some hospitals are examples of this new departmental focus. At Centra Health System in Lynchburg, Virginia, the work of Nurse Retention Specialist Linda Youngblood has resulted in a remarkably low vacancy rate of 2 percent and a surprising turnover rate of only 4 percent. Centra's time to fill nurse positions was also reduced by two-thirds.

## THE COMPETENCIES

As the role and responsibilities of employee-retention specialists become more refined over time, and as more people take on this

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role in their organizations, expectations and opportunities will become clearer. A community of these professionals is already in the development stage. Our research in the field of employee retention, dating back to 1988, has produced a body of knowledge that is beneficial to everyone engaged in this important work. This knowledge has now become the foundation for formal certification. The competencies for this position are:

- Facilitate and sustain organizational and business change;
- Facilitate learning and performance improvement;
- Assess, analyze, and measure results;
- Research and benchmark best practices;
- Develop, align, and integrate strategy;

- Build a winning organizational culture; and
- Develop effective retention strategies.

An initial look at these competencies suggests that employee-retention specialists will work at a fairly high level in organizations. However, in other situations, they may be positioned lower on the organizational chart but still will significantly influence the work of higher-level decision makers. They will

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usually be found in the human resources department, though some may be attached to operational leadership teams. Employee-retention specialists will apply organizational development practices rather than concentrate on transactional activities.

Let's dig a little deeper into each of the broad competencies listed, the better to understand what tasks may actually be part of the responsibilities of employee-retention specialists.

### **Facilitate and Sustain Organizational and Business Change**

This competency recognizes that most organizations wrestle with uncontrolled employee turnover because of the way they do business. Companies may need to make changes in their corporate culture and other aspects of business philosophy. Employee-retention specialists collaborate with key leaders and managers accountable for retention performance to prevent and reduce turnover. Specialists emphasize improving and sustaining workforce quality, stability, engagement, and productivity.

Corporations understand that retention is a bottom-line issue. Specialists have a responsibility to communicate the body of research linking effective people-management practices with key outcome measures of turnover, productivity, and financial performance.

### **Facilitate Learning and Performance Improvement**

Since research has confirmed that learning and continuous improvement motivate people to stay with an employer, employee-retention specialists concentrate on training and coaching to improve retention skills of leaders, managers, supervisors, and employees at all levels of an organization. With the clear recognition that retention is everybody's business, not just an issue for human resources to "fix," specialists involve everyone in a systematic and integrated effort to build a culture where talent retention is a visible, strategic objective.

The employee specialists who have participated in the certification training provided by The Herman Group can describe demographic trends, forecasts, and statistics to illustrate the transition of our economy and employment marketplace to a sellers' labor market. They can advise management by defining the retention crisis facing employers, and they can identify key vulnerabilities that will affect the organization's effectiveness and performance as the crisis grows. Specialists use various retention models to show managers the big picture, so they can understand the strategic and economic value of finding and keeping good people.

### **Assess, Analyze, and Measure Results**

Many of the people responsible for workforce stability and bottom-line performance depend

on key metrics. Employee-retention specialists utilize appropriate assessment instruments and surveys to measure employee satisfaction and engagement as well as their vulnerability to leaving employment. They use the collected data to assess and document the business case for change, investment in employee retention, and movement toward "Employer of Choice®" employment branding (see [www.employerofchoice.com](http://www.employerofchoice.com)).

Employee-retention specialists conduct "exit" and "stay" interviews, analyzing results to determine why employees leave or remain with the organization. Ongoing analysis of turnover statistics and trends within the organization helps discover the root causes of employee turnover, so they can be addressed. This analysis includes study of the current and projected costs of turnover and replacement, including direct and indirect costs.

### Research and Benchmark Best Practices

Employee-retention specialists look outward as well as inward in their organizations. They research and evaluate the latest studies conducted on talent retention, workforce stability, and organizational culture. In this process, they gather evidence of best practices employed by other organizations, applying appropriate practices for their employers. They pay careful attention to techniques and key indicators from organizations that have earned Employer of Choice® recognition.

Specialists assess, evaluate, and continuously improve policies and procedures that support development and maintenance of a high-performance, retention-focused culture. They communicate turnover, retention, and other applicable performance statistics to key decision makers, leaders, and employees within the organization.

### Develop, Align, and Integrate Strategy

The work of employee-retention specialists is strategic as well as tactical. Directly or indirectly, they help align retention strategies, programs, and expectations with people management, people development, organization development, and the business-development plans of their employers. Looking toward the future, they also align retention strategies, programs, and expectations with strategic workforce plans and hiring forecasts. This focus ensures that recruitment will also be consistent with long-term workforce stability plans.

Bringing new employees into the organization through a well-planned, yearlong onboarding process is one of the tactics specialists employ to support strategic alignment. All employees understand their roles—in the

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company and for each other—from their first day. Specialists ensure integration of retention strategies, programs, and expectations with performance management and appraisal processes and outcomes.

Employee-retention specialists work closely with the organization's financial, operational, and HR divisions, including senior executives within these divisions. The coalition of these leaders facilitates an internal marketing and brand strategy that differentiates the organization in the employment marketplace.

### Build a Winning Organizational Culture

Corporate culture will surely exert a major influence on workforce stability in the years

ahead. Employee-retention specialists will guide and support development of the kind of culture that attracts, develops, and retains top performers. In many cases, they will utilize the Employer of Choice® model to coalesce efforts to attract and hold top talent. They will ensure that employment branding—internally and externally—is a key component of employee retention. Where appropriate, employers will be encouraged to work toward—and apply to be recognized for—becoming an Employer of Choice®.

### Develop Effective Retention Strategies

A vital task of employee-retention specialists is the design, development, and implementation of effective retention strategies that produce measurable results. These professionals will ensure that all transactional activities flow from a deliberate strategic perspective. They will recognize and communicate the top

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warning signs that talent is considering leaving, as well as the top five principal reasons people leave jobs, which may be stated as:

1. *It doesn't feel good around here.* This is a corporate-culture issue in most cases. Workers are also concerned with the company's reputation; the physical conditions of comfort, convenience, and safety; and the clarity of mission.
2. *They wouldn't miss me if I were gone.* Even though leaders do value employees, they don't tell them often enough. If people don't feel important, they're not motivated to stay.
3. *I don't get the support I need to get my job done.* Contrary to opinions heard all too often from management, people really do want to do a good job. When they're frustrated by too many rules, red tape, or incompetent supervisors or coworkers, people look for other opportunities.
4. *There's no opportunity for advancement.* No, we're not talking about promotions. The issue here is learning. People want to improve their capacity to perform a wide variety of jobs. If workers can't find the growth opportunities with one company, they'll seek another employer where they can learn.
5. *Compensation is the last reason most people leave.* Workers want fair compensation, but the first four aspects must be strong.

To verify the value of key employees, employee-retention specialists will help business leaders, managers, and supervisors define characteristics of "top talent" and "good people" whom they must retain to accomplish organizational objectives. The specialists will design, develop, and implement retention strategies focused on maintaining the skills and intellectual capital of the experienced workforce.

### A ROLE WHOSE TIME HAS COME

As they meet future challenges to find, optimize, and retain qualified workers, employee-retention specialists will play an increasingly important role in organizations of all types. In their strategic position, these specialists will have significant influence at the senior levels of organizations, showcasing their expertise, dedication, and effectiveness. This important work could be a career springboard into higher levels of employment.

**Roger E. Herman** is recognized as the pioneer in the field of employee retention. He's a Certified Management Consultant, a Fellow of the Institute of Management Consultants, and a Certified Speaking Professional. A founding member of the Association of Professional Futurists, Roger serves as contributing editor for workforce and workplace trends for The Futurist magazine. Author of 11 business books, he opened the field of employee retention in 1990 with the first edition of his classic book, *Keeping Good People*. His consulting firm, The Herman Group, trains and certifies employee-retention specialists. For more information, visit <http://www.EmployeeRetentionSpecialist.com>. Based on his book, *How to Become an Employer of Choice*, Roger created a recognition program for highly attractive companies that are designated "Employer of Choice®." Information is available at [www.employerofchoice.com](http://www.employerofchoice.com). Employer of Choice® is a registered trademark of The Herman Group. Readers are invited to contact Roger Herman directly at [roger@hermangroup.com](mailto:roger@hermangroup.com).