

Zoom in:

Transferring part of the responsibility for talent retention from HR to operations, to leaders, is a cultural shift.

It's likely that HR will gladly share ownership. Here's how Sprint did it.


Focus on Talent

By Craig R. Taylor

Deeanne King, director of performance development, customer solutions, for Sprint's PCS division, was amazed by what she saw on a visit to one of Sprint's large customer contact centers. The center, typical of many scattered throughout the United States, is a sprawling, sophisticated operation abuzz with activity.

"It's like a city," King thought. And she was concerned. Employee turnover at the center was moving past triple digits. "Employees were turning over faster than we were getting new ones," she says. Efforts to manage the problem up to that point hadn't worked. King knew that she had to get a handle on retention, and she has plenty of company in that regard.



Unwanted employee turnover, despite the economic slowdown, is one of the biggest and most costly business problems companies face, and it remains pervasive and persistent. Recognize that the issue isn't the almost numbing frequency of corporate layoffs reported in the news. No, the much bigger problem is the undesirable, unwanted, and voluntary attrition that companies experience when people they'd prefer to stay instead quit to take another job elsewhere.

In July 2002, Towers Perrin released a study of HR professionals, in which 75 percent of respondents said retention of high performers is their number 1 people-related issue. TalentKeepers  talentkeepers.com an employee retention company based in Maitland, Florida, recently surveyed 39 companies in a variety of industries and found that 92 percent of respondents report that employee retention is increasing in importance; 74 percent report that turnover has risen or remained the same during the two-year economic slump.

Demographics are largely to blame. Birthrates in the United States declined 40 percent from 1955 to 1973 and continued to decline until 2000. The U.S. Bureau of Labor Statistics predicts that by the year 2006, two employees will leave the workforce for every one added. And those who are entering the workforce move often. U.S. workers typically hold 5.6 different full-time jobs from age 18 to 24.

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Compounding the problem is the continued erosion of employee loyalty. It's well understood that Generation X, the estimated 46 million Americans born from 1961 to 1981, entered or are entering the labor market with different beliefs and values than

previous generations  "The Young and the Rest of Us" and "Get Ready for the Net Generation" (February 2000 *T+D*). Many Gen Xers saw their parents laid off from long-held jobs and feel that security is tied more to a career than to a company. For them, jobs are often viewed as stepping stones to the next opportunity. And hot upon their heels is the upcoming group, Generation Y  "Generation Why" (November 2001 *T+D*).

The problem spans both hourly and professional positions. According to the Employment Policy Foundation and Bureau of Economic Analysis, "American jobs requiring college degrees (two-year, four-year, or advanced) will increase by 20 million [over] the next 10 years. Of that number, 12.5 million will be new jobs requiring baccalaureate or advanced degrees; 7.5 million will be new jobs for graduates of two-year degree programs."

Here's the kicker: "At current U.S. college and university graduation rates—1.15 million baccalaureate degrees annually—the available new college degree holders will fall 6 million short."

The Saratoga Institute, well known for its research on retention, puts it succinctly: "Should we really worry about retention when the economy is down and employees are staying put? The answer is still a resounding *yes*. The economy may have slowed, but this is merely the eye of the storm."

Make no mistake: The competition for talent is high, and it's only going to get worse.

The missing puzzle piece

Learning strategists traditionally have taken a back seat to their human resource colleagues in the battle against turnover. Solutions for improving retention usually are assumed to hinge on well-thought-out recruitment, assessment, and selection practices, and on increasingly comprehensive HR programs and services. Certainly, no one would argue that competitive wages, comprehensive benefits, employee services, incentive programs, and similar initiatives are important in attracting and hanging on to good people. But, unfortunately, as organizations escalate the war for talent, pay and programs are at risk of becoming commodities. They're relatively easy to duplicate. If a competitor is trying to lure away your people, it's not hard to compete with individual elements of employment such as wages and benefits.

So, what's the missing piece of the puzzle in keeping people? How does an organization win the fight

to keep its best talent? There's a growing body of new research that supports one particular factor in what truly motivates people's decision to stay or leave. We're learning that people join organizations for such attractions as pay and benefits, but they leave for other reasons.

In "First Break All the Rules," a landmark study by the Gallup Organization that includes interviews with 1 million employees and 80,000 managers, authors Buckingham and Coffman net it out this way: "People leave managers, not companies. If you have a turnover problem, look first to your managers."

Leaders, and their skill in creating a culture of retention, are emerging as the key in why people stay and what usually drives them away. According to a study by Walker Information spanning 31 countries, what employees want is fair treatment, care, concern,

and we had some great ones," says King. "But they simply didn't get us where we needed to be. You can have the programs, but if you don't have the relationships then it really doesn't matter. People felt as if they didn't have a relationship with their leaders."

The idea that people stay because they have a positive relationship with their leaders may sound contrary to the typical "don't get too close to your employees" way of thinking—fueled partly by harassment fears and a litigious climate. No question, it is a complex situation. But the evidence points in one direction: Employees want a leader who knows them, understands them, treats them fairly, and is someone whom they can trust.

Diane Marcum, a labor consultant and writer, spent many years as VP of human resources and strategic planning at the happiest place on Earth—

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and trust. Think how much we hear about trust these days. Yet, a retention study by the Society of Human Resource Management shows that what we give employees is better health care, competitive compensation, and wage increases—in other words, commodities. There's a problem of alignment there.

"Programs don't keep people," says Diane Shelgren, senior vice president of Strategy and Professional Services for Spherion, a leading workforce management services provider. "People want substance," she says. "Superficial back-patting doesn't work anymore. People need to feel like their contributions to their organization are valued, and they need to feel like they're part of something larger," she says. "It's about relationships."

Sprint PCS, like many companies, actively pursued the conventional wisdom in the past. "We added a lot of programs that were employee-centric,

Walt Disney World. They know a few things there about retention. Marcum acknowledges that hiring practices, rewards, training, and performance management all play a part in retention. But it's the leader who makes the difference.

"Supervisors are the face of the company to the vast majority of employees in most organizations," says Marcum. "Nearly everything about a company funnels through these people. Pay and benefits are expectations today. The most important element in retention is the leader."

Front and center

Recognizing that leaders, particularly frontline managers, play a starring role in retention is just the first step. Remember, accountability for retention has long been the domain of HR, so transferring part of that responsibility to operations, to leaders, is a cultural

Ten Leader Retention Competencies

The biggest advantage in articulating retention skills is that they link directly to measurable outcomes that everyone understands and can agree on: Voluntary turnover either comes down or not. By demonstrating these skills, the rate of turnover and its associated costs are readily quantified.

Here are the 10 leader retention competencies identified by TalentKeepers.

1. **Trust Builder:** Creates a sense of trust and concern with team members.
2. **Esteem Builder:** Develops ways to give team members responsibility, the freedom to act, and to feel good about themselves.
3. **Communicator:** Communicates the importance of retention to team members and others effectively.
4. **Climate Builder:** Develops ways to make work and the workplace enjoyable and fulfilling.
5. **Flexibility Expert:** Recognizes, understands, and adapts to individual needs and views.
6. **Talent Developer and Coach:** Develops and coaches team members to help them grow, which results in greater commitment and loyalty to the organization.
7. **High-Performance Builder:** Creates conditions that reinforce high levels of team member performance, particularly critical for retaining the most-talented people.
8. **Retention Expert:** Develops retention knowledge and an understanding of the supporting values central to initiating effective retention-focused actions.
9. **Retention Monitor:** Demonstrates ability to measure and identify potential retention problems and take preemptive action.
10. **Talent Finder:** Within the scope of his or her role, actively seeks to source and select qualified people effectively.

shift. It's likely that HR will gladly share ownership. But it takes good planning and sound implementation to help leaders embrace their part in retention, not to mention the need for them to learn new skills and behaviors. In order to hold leaders accountable, it's clear that providing the training and support to perform their new role is a critical success factor. Surprisingly, given the mountain of available research on leadership skills covering everything from vision and strategy to delegation and feedback, precious little has specifically targeted retention, one of the most costly of all business problems.

Building on a 20-year history of job analysis work, plus in-depth, collaborative research with five top corporations, TalentKeepers has identified 10 Leader Retention Competencies that are vital for creating a high-retention culture. Identifying and defining competencies is necessary to form the foundation of assessment tools, e-learning modules, performance support aids, and the like.

Sprint's King, eager to apply a new approach to the retention problem, teamed up with TalentKeepers. Together, they developed a strategy to focus retention efforts not on pay and programs, but on developing leaders to become retention agents. Five of the PCS eight customer contact centers were selected as pilot sites, making the other three nonpilot, control sites. Like every initiative these days, proven business results are crucial to demonstrating value, winning support, sustaining funding, and staying in the game. Comparing the centers' performance would tell the story.

Given Sprint PCS's large distributed locations and wired workforce, and the importance of monitoring and tracking the impact of the intervention, a Web-based solution seemed ideal. The process included individual and 360-degree surveys, e-learning modules, and online performance support tools, all of which were fully implemented using the Internet. The one exception was the use of offline skill-building activities typical of a blended learning approach.

The first step was to assess the current retention skill of Sprint PCS leaders. Interesting data began to emerge. For example, supervisors who scored well overall on the assessment were also scored highly by their teams on providing career development help and support—a key reason they stayed. Regarding ineffective leaders (those with low-retention-skill team ratings), their team members indicated that the biggest reason they stayed was pay. We all know that it's easier to pull

someone away for pay than for career opportunities.

Every leader receives a development plan recommending at least four of 10 e-learning modules, one module for each retention competency. At least one big surprise surfaced. Many of the leaders who completed the Trust Builder module saw applications not only to work, but also to life in general. Says King, "People are realizing that these are life skills they can use in any part of their lives, not just at work. People are really responding, and we're helping them as individuals."

One of the objectives was to create an online knowledge base of retention best practices across the organization so supervisors could learn from each other. Leaders throughout the participating centers contributed suggestions and ideas to KeepersX-change, which now includes more than 250 ideas in 72 categories.

In an effort to monitor the culture across all of the participating customer contact centers, the frontline specialists took a short online survey called TalentWatch. More than 7000 PCS employees completed the survey, which uncovers why team members join, why they might leave, why they stay, and how long they expect to stay. The data is reported to leaders in these categories:

- organization-wide conditions
- job conditions
- leader behaviors.

Sprint PCS intends to use the survey quarterly to stay on top of trends that may affect its retention efforts. One big wake-up call showed up in the Web-based exit interview, PartingWords. A whopping 68 percent of the surveyed employees who left said that the organization could have done something to keep them. Most industry experts estimate that two-thirds of all organizational turnover is unwanted, and the 68 percent figure confirms that.

Real results, real people

Evidence of the retention strategy's impact is in the kind of comments Sprint sees on its quarterly TalentWatch survey.

"The people who are good talent keepers have contributed to the cultural evolution," says King. You don't see the kind of negative comments on their surveys that's typical of employee feedback. People feel as if they have a say, that their opinion matters. They also have a trusting relationship."

That's good news, but far more important are the business results. Did the development of retention-specific competencies have a measurable impact on attrition? Overall, the centers set an aggressive target to reduce attrition to 48 percent for the calendar year. The results were that every pilot site was consistently below goal compared to the nonpilot, control sites. In the year that includes lower attrition and the associated reduction in labor costs, projected savings are several million dollars. Based on those results, the entire retention strategy has been rolled out to the rest of the customer contact centers at Sprint PCS.

Implementation challenges often surface when launching an effort of this scope, and there were some here. A few of the more common technical issues surfaced, such as connectivity and ease-of-use. Perhaps the biggest challenge, though, was keeping the program top-of-mind in the centers. "You have to build it into everything you do," advises King.

Fruit salad

Employee retention represents one of the biggest unmet opportunities in organizations today. When training and development partners with HR and operations to build a climate and culture in which retention is a core value, good things happen—for customers, for employees, for the company. Employee retention is far too important to be left to only part of the organization. Only through an integrated strategy can you achieve the best results.

You know it's working when a Sprint PCS supervisor has this to say: "Our job is to make our specialists want to come to work, and to know they can have fun with me makes me a better supervisor. They count on me every day to make their day a pleasant one. I take pride in my relationship with my team."

For King, the biggest payoff of the entire strategy has been the development of a culture that recognizes people as individuals. "In a big operation like ours, it's easy to treat everybody the same," she says. "To be successful, we need to treat people individually and understand their uniqueness. People have different needs. They're like fruit. They're not all apples. We also have strawberries and grapes." TD

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