

WANDERING EYES

Talent mismanagement increases employee turnover.

By Aparna Nancherla

Dealing with workers who leave the company is never easy for an employer. Sure, there might be going-away cake, but that doesn't sweeten the bitter taste of trained talent lost. And when employees leave for reasons within an employer's control, the issue is further complicated.

According to a recent online survey of 1,308 midlevel managers and senior leaders conducted by Right Management, a human capital consulting services firm, 30 percent of employees left their jobs to seek new challenges or opportunities not provided to them by their former employers. In addition, 25 percent of employees left their jobs because of ineffective leadership. Another 22 percent cited poor relationships with their managers, and 21 percent felt that their contributions were not valued.

Increasing turnover rates present an exorbitant trend for any business. Michael Haid, global center of excellence leader of the assessment practice at Right Management, says, "Consider the effect of undesired turnover on the bottom line—increased hiring and training costs, reduced productivity, lost business opportunities, decreased customer satisfaction, and poor employment brand. According to our research, companies place the cost of replacing someone at two-and-a-half to three times an individual's salary."

Although not all employees who are dissatisfied with their jobs leave, those who stay may not necessarily contribute to the good of the company. The study showed that only 43 percent of U.S. workers are engaged with their jobs. As Douglas J. Matthews, president

and COO of Right Management, notes, "There is a direct correlation between the level of employee engagement and important business benchmarks such as higher customer retention, lower employee turnover, and increased sales and operating results."

Employees are motivated by the opportunity to be involved in their jobs and the direction of their growth. Notes Haid, "A combination of on-the-job experiences, exposure to relevant role models, and education or training is most effective. One innovative approach is to provide rotational assignments to different parts of the organization, providing employees with a broad understanding of the business."

Another direct way in which employees can feel energized is coaching. Matthews says, "Coaching helps leaders to more effectively communicate and engage employees in the organization's mission and values, and contributes to improvements in productivity, quality, customer satisfaction, and shareholder value."

Regardless of methods used, employee retention and engagement need to be addressed through an integrated, overall change management initiative. "Isolated training efforts, disconnected communications programs, and poorly focused assessment projects all serve to drain resources without successfully addressing the issues. Organizations need to become much more holistic in the way they conceive of the problems and create solutions to address them," adds Haid.

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The BIG Number

30%

of employees left their jobs to seek new opportunities not provided to them by their previous employers.

>>Top Reasons Employees Leave Their Jobs



Lack of new opportunities.....	30%
Ineffective leadership.....	25%
Poor relationships with managers.....	22%
Contributions were not valued.....	21%

Source: Right Management