Dealing with the Real Reasons People Leave

Adapted from article in Harvard Management Update by Judith A. Ross

SUSAN JAMES CAN CITE SEVERAL REASONS for leaving her job at a national magazine "The advancement opportunities were not as promised, there was no clear track for getting ahead, and I did not feel listened to," she remembers. Susan's manager never did an exit interview with her, but the magazine's publisher took her out to lunch and asked point-blank why she was resigning,"! was quite open about it "she says.

While research shows that James' reasons for leaving are commonplace, her willingness lo spell (hem out for her employer is not. In fact, according to **Leigh Branham, author of *The 7 Hidden Reasons Employees Leave: How to Recognize the Subtle Signs and Act Before It's Too Late*** (Amacom, 2005),while most people tell human resources they are leaving for more money or a better opportunity, 88% change jobs because of negative factors in their current workplace, ranging from subpar people management to toxic culture.

"People don't want to get involved in the ugly reasons they do leave," Branham explains. "Citing increased pay and more opportunity is a convenient thing to say, and managers are all too willing to accept these reasons."

Addressing employee turnover head on will require many managers to rethink their approach to retention. At plenty of firms, for example, retention is a concern only when executives fear that valued employees may seriously be considering leaving. But this mindset dooms a company to failure as it ignores all the opportunities to keep people from even thinking about leaving.

Indeed, the retention war starts at the hiring stage, with companies recruiting employees whose talents and interests fit with both the short-and long-term needs of the organization. And once employees are in the door, the battle to keep them should commence immediately. This should begin with an intensive focus on getting employees off to a fast and meaningful start. With a solid beginning secured, managers and experts suggest the following:

1. **Provide room to grow**

Nothing is more frustrating to an employee than discovering he is out of runway room. At Telephia , a San Francisco-based firm that provides syndicated information to the wireless industry, avoiding this has become an employee-retention priority. Management sits down three times a year to review its approximately 200 employees and their opportunities for growth. Executives pinpoint successors for key roles and identify those interested in promotion and those who might fill interim spots.

"This review process has allowed the management team to keep finding opportunities to advance its star performers. Without these reviews, we might miss candidates for internal promotions and cross-functional rotations," says Tilapia President, Sidney S. Gorham.

To further encourage employee development, Branham advises organizations to provide easily accessible information on career paths and competency requirements that spell out how employees can progress. Employers should also keep employees informed about the company's strategy, direction, and talent-need forecasts so that workers are assured that they do, in fact, have room to grow.

2. Continually enrich the experience

Keep your direct reports engaged by working with them to expand their skill sets and empowering them to do more. For example, studies show that frontline workers such as sales or customer service representative, derive greater job satisfaction when managers give them the authority and resources to solve customer problems on the spot.

"People want to own things and to have the authority and empowerment to do the job right," says Todd Davis, vice president of people services for the organizational solutions business unit at FranklinCovey in Salt Lake City. "I coach other managers to trust and know their employees, allow them to make mistakes, and allow them to grow."

Taking such an approach paid big dividends for Davis in a previous job in which he managed recruiters in the medical field. He took over from a very hands-on, controlling manager. When he pulled his team together to talk about morale, "most of the discussion centered around the fact that people felt no ownership," he says. "So we formed a 'big idea' team and began in test new ideas from the recruiters. They didn't all work, but some did and the team started coming alive." People put much more effort into their work and felt a greater connection to it because," Davis says, "it was their work, their ideas."

There are other, more everyday ways to boost employee engagement as well. "If I attend a meeting where someone did a terrific job of driving a decision, I will pull them aside and say, 'The way you got the group to decide was very effective, and here's the reason why?" says Ten Ann Drake, creative product development director at Hallmark Girds in Kansas City. "Being specific and timely is something I work hard at."

Sidebar: MANAGING YOUNGER WORKERS' EXPECTATIONS

To retain employees, managers need to know what makes them tick. Younger workers' expectations, for example, may be quite different from what older, seasoned executives are accustomed to.

Leigh Branham, author of *The 7 Hidden Reasons Employees Leave*, says baby boomer managers need to overcome their reluctance to give younger workers "the keys to the car" as soon as they walk in the door. Gen-Xers and Millennials do not expect to pay the sort of dues their parents did, and while managers can't thrust people into jobs they're not ready for, they can try to shape the job to the person rather than the other way around. "Let young people find their own ways to use their talents to get things done," he says.

3. Express appreciation

While pay may not be the first reason people leave, it can be a significant factor. "Dissatisfaction about pay has as much to do with how pay is communicated and pay inequity as it does with pay amount," says Branham. For that reason, many companies now link base pay more to value creation and less to rank or years of service. In doing so, it is essential to communicate clearly to all employees how "value" is determined. Other best practices include rewarding results with variable pay that is tied to business goals and making cash payouts for on-the-spot recognition.

There are also nonmonetary ways managers can make employees feel valued. At Gap Inc.'s corporate headquarters in San Francisco, hallways and offices are festooned with post cards bearing graphics representing the company's core values and desired behaviors. The post cards are part of an informal recognition program that promotes integrity , respect, open-mindedness, quality, and balance.

The program allows employees to recognize peers, superiors, and reports in any department when they exhibit desired traits. For example, Tricia Link, a former Gap spokesperson, recently presented an "Exceed" card (definition: "Constantly delight and amaze our customers, our shareholders, and each other") to one of her employees at a Learn meeting. In addition to publicly recognizing good work, Link says, "the program is a valuable way to tie employees' daily activities with the company strategy."

4. Counteract stress

Hallmark's Drake works actively with her team to keep stress at a reasonable level. "Our motto is to protect our capacity to produce," she explains. She meets with her leadership team every couple of months to "take the temperature and see how people are doing. We use these meetings to reprioritize," she explains. As in advocate for her team, she then works with her business partners to adjust deadlines when necessary.

Employee stress is a symptom of all the other things that can go wrong within a workplace. People are often expected to accomplish more with fewer resources in less time. Abuse, harassment, insensitivity, inflexibility of work hours, and repeatedly being forced to choose work over family life are all contributors.

One way organizations can address these issues is to initiate a culture of "giving-before-getting" by providing generous work-life and health benefits, and a wide range of employee services so that your employees know you arc concerned with their welfare. Doing so acknowledges a simple sociological phenomenon: when you give to your workforce, most workers will give back. Branham suggests that firms tailor these benefits to their talent pool—creating a nontraditional work schedule that meets the needs of working parents is one example.

WHY EMPLOYEES REALLY LEAVE

By analyzing data from close to 20,000 interviews conducted by the Saratoga Institute, Branham uncovered the following reasons for employee turnover

1. Job or workplace was not as expected
2. Mismatch between job and person
3. Too little coaching and feedback
4. Too few growth and advancement opportunities
5. Feeling devalued and unrecognized
6. Stress from overwork and work-life imbalance
7. Loss of trust and confidence in senior leaders

Another antidote is empowering managers to surprise their employees with spontaneous rewards such as a long lunch (where work is not to be discussed) at the manager's expense or free movie tickets. Such perks not only provide a break from the stress, they also generate loyally in return.

5. Cement connections to senior executives

At the most basic level, employees want to know that their organizations will be successful, assuring them of a job and a future, asserts Branham. In that regard, employees have three questions about their leaders: Will they steer the ship to success? Can I trust them to do what they say? Do they have trust and confidence in me?

To address these issues, Branham says, leaders must inspire employee confidence with a clear vision, a workable plan, and a belief in employees' competence lo achieve it. And backing up words with actions is essential.

When Bill Catucci took the helm of AT&T Canada in 1996, he was the third CEO in five years. The company was financially unstable, losing $ I million a day, and employee morale was in the gutter. On his very first day on the job, he was invited to speak at the annual sales meeting in Toronto. That weekend there was a huge snowstorm, and Catucci couldn't get a flight in. So he got in his car and drove to the meeting. It took two days, but Catucci sent a powerful message just by showing up: he was serious about change and believed in connecting directly with the people who would carry it out. "That kind of thing enabled me to get the people in the company to rally behind the vision and the strategy and all the things we needed to do to make things better," he says. ♦

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