



BUSINESS CASE FOR RETENTION
ENDORSED BY 10,000 EMPLOYEES

WHITE PAPER

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BACKGROUND – UNCERTAINTY

Employers in every part of the world have had to navigate a changing business landscape in recent history. In the past 5 years, the unstable external environment has heavily impacted businesses internally. In light of this, employers are increasingly identifying that retention is one of the most important issues influencing how they not only survive turbulent times, but move beyond them.

Employers are progressively looking beyond today and their focus is shifting to creating new opportunity. As we become more accustomed to volatility we are looking for greater control of our own circumstances. That aspiration has major implications for strategy, cash flow and capability.

Developing existing internal employees, and in particular leveraging key employees, is an inexpensive and effective strategy for finding growth. Employees are not just a cost center but also a “natural resource” that businesses are able to tap into. Retention therefore, must be reviewed not only as a way to mitigate risk, but as a growth strategy as well.

There is a shift in the retention debate

How effective employers will be to navigate the shift within their organization will be largely determined by how they maintain momentum within. With many employers not intending on increasing base wages and compensation (see the latest market reports from the HR Coach Research Institute), other factors will rate highly in keeping talent. The connectedness between the employer and employees will optimize the opportunity.

Employee engagement and retention will be paramount to ensuring business success moving forward.

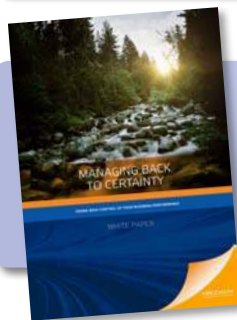
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ENGAGEMENT VS. RETENTION

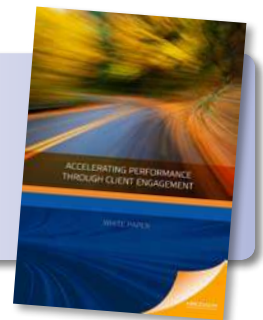
Connectedness between employers and employees is complex. The HR Coach Research Institute, since 2007, has been identifying the evolving concept in various research projects and publications.

“Managing in Uncertain Times” – explored the impact of employee engagement in difficult economic periods. The white paper uncovered that management fatigue is an outcome when there are too many pressure points inside a business.



“Managing Back to Certainty” – explored the impact of employers engagement with their business. Employers in an extended state of shock and non-reinvestment in a business, strategy and people creates downward pressure on the business and constrains growth.

“Accelerating Business Performance” – explored the impact of client engagement. Client focus creates a common goal within and accelerates business improvement, before any other factor. It also generates faster and more reliable revenue streams for an existing business.



A common thread in all of these studies has been engagement. Engagement is an advanced notion, as seen by the different applications in the aforementioned research: employee engagement, employer engagement and client engagement. However, engagement at any level within a business cannot exist without the retention of employees.

RETENTION: 10,000 VOICES

Five years. This is the time taken to interview, survey and study over 10,000 individuals. The HR Coach Network members have been using a scientific approach to understand the full spectrum of the employment relationship inside organisations. Gaining perspectives from employers, managers and employees during a time when business conditions were volatile. The openness and willingness of organisations to share their battle scars has given us a unique and fresh look at the issues relating to linking employee action to strategy. For the members of the network and participating organisations, we are very thankful.

The underlying factors in the employment relationship between the employer and employees will be examined first. The recommendations for retention will then be linked to this critical information.

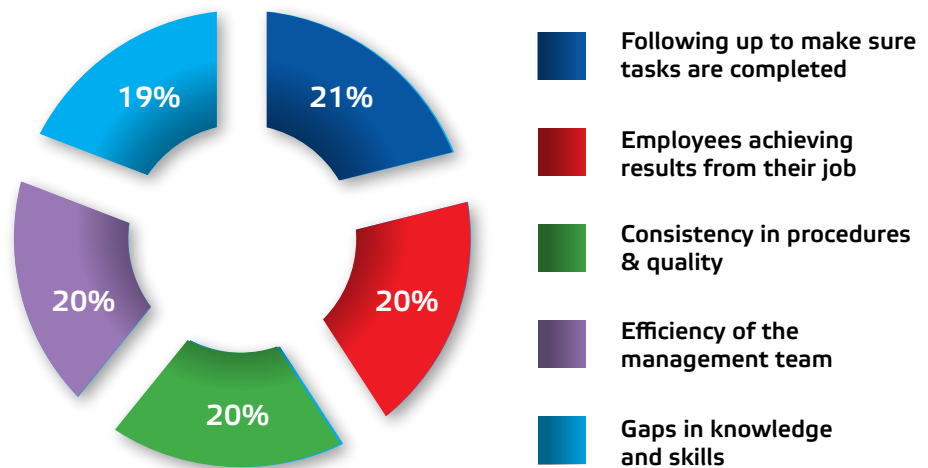
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EMPLOYER VOICE

The employers voice cries out for practical outcomes in “getting things done”. Employer’s critical issues do vary greatly between low and high performing organisations. Yet, collectively, we see that the issues keeping employers awake at night are constant.

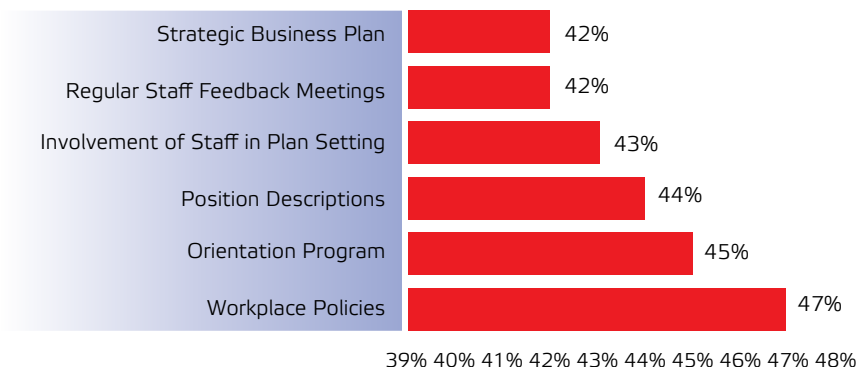
Top Internal Issues for Employers



Employers, mostly, not being a victim to their issues, understand they have a part to play in their frustrations, yet don’t know how to either address the issues or prioritise them within their long list of “things to do”.

Employers are aware that their employment strategy is reliant on the balance between their informal and formal systems. In fact, the high performing organisations don’t rely on one more than the other. Consistently though we see that the basics of their systems are still not up to the standard they want for their own organization. The following table highlights employer own satisfaction with their internal systems and planning.

Top improvements by Employers Relation to People Management



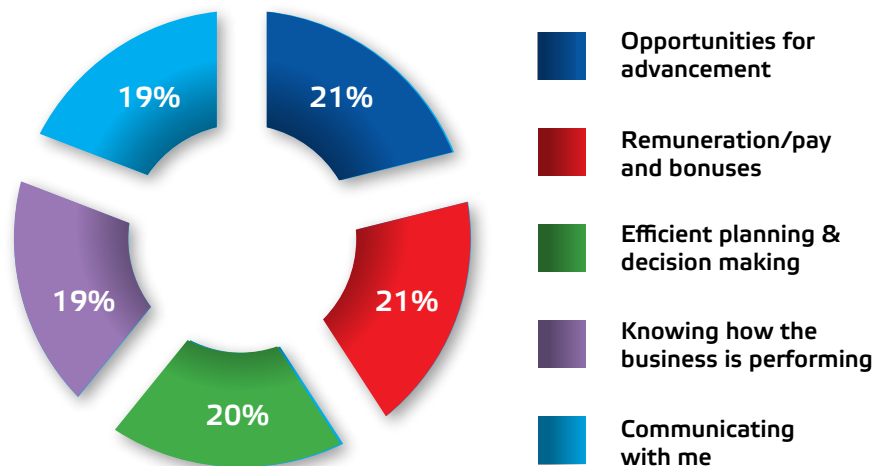
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EMPLOYEE VOICE

The employee's on the other hand are crying out for a "real conversation". Employee's critical issues do also vary greatly between low and high performing organisations. Collectively though, their common issues are not surprising.

Top Issues for Employees



It is interesting to note the top two issues being opportunities for advancement and pay are directly linked to personal benefit. The remaining three; efficient planning and decision making, knowing how the business is performing and communicating with me are about their involvement in the business, not about the job itself.

This gives us some clues in regards to how to tackle employee retention in a proactive and practical way. It tells us that it can be managed.

INTERNAL CONTROLS CREATE OPENNESS

To collaborate effectively, transparency is paramount. Technology has armed organisations with data and information and has created greater control and openness to real conversations within an organisation. By creating a solid foundation of meaningful information, it creates a starting point to share ideas and discuss sensitive issues. It equips both employers and employees with the necessary information to have intelligent conversations. It enables the whole organisation to embrace future opportunity. It is also a practical platform from which to build a retention strategy.

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NOT ALL SOLUTIONS SUIT EVERYONE INDIVIDUAL VOICE VS THE COLLECTIVE

A retention strategy is not a one size fits all. The study of 10,000 individuals has created a rich source of data, identifying how deep the variables are which affect retention, including factors by industry, culture, business climate and individual circumstances. What this means is that the collective voice is important for business improvement strategies while the individual voice is important for retention. They are however inextricably linked, as one doesn't happen without the other.

By using individual data as a basis for an intelligent conversation, it is feasible to understand employees, backed on actual, real time needs and engages them as individuals.

When engaging employees in this manner it is important that the knowledge gained have many facets. It is about knowing an employee in regards to their relationship with their job, their peers and the organisation itself. Such knowledge can radically improve how organisations work with their employees and can stimulate new opportunities and innovation.

So lets look at the facts so far:

- ✓ **To build opportunity in business inexpensively, focus on what you have**
- ✓ **Retaining key employees will build on the knowledge and skills base for the future**
- ✓ **Technology enables collaboration internally**
- ✓ **Retention can be managed**
- ✓ **Retention requires engagement on an individual basis**

A MANAGEMENT APPROACH TO RETENTION

Managing retention is equally a process of maintaining business as usual and protecting the core as it is about opportunity. It is therefore a risk mitigation strategy as much as a growth strategy. Traditionally organisations interview during recruitment and exit, but not during the employment relationship. It is a gap in management.

Beyond performance reviews, proactively evaluating factors that affect retention at an individual level will enhance the relationship and connectedness between employers and employees. The more consistently and measured this process is, the more likely there will be no surprises in managing the relationship.

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PRACTICAL TOOLS TO IMPLEMENT

Through careful evaluation and research, the HR Coach Research Institute has developed a management process to proactively manage retention, focusing on the factors of “what is needed” and “what works”. The Retention Interview using the **Career Monitor** is a tried and tested model for both feedback and management data.

Research based quantitative interviews provide a risk and opportunity analysis for an individual employees circumstance. A multifaceted view of their job, their peers and culture and the organisation provides a clear and concise evaluation of whether the employment relationship is at risk as well as identifying future areas of mutual opportunity.

Employers are armed with information to gain a clear perspective on the business including why people join and why they stay. Due to the quantitative analysis, employers will also know how to prioritise each aspect within 3, 6 and 12-month time frames.



The design of the surveys enables multiple uses from the one tool:

- Probation Reviews
- Performance Reviews
- Individual Talent Management Programs
- Performance Management Interventions
- Pre-Exit Analysis
- Key Employee Retention Programs
- Annual Survey as part of a HR Plan
- Capacity Risk Mapping as part of a Strategic Review
- New Employee Survey in line with the STAR Workplace Business Improvement Program

RETENTION - THE WAY FORWARD

In recent history the unstable external environment has heavily impacted businesses internally. As a result, employers worldwide have searched for consistency and stability. Developing existing internal employees, and in particular leveraging key employees, is an inexpensive and effective strategy for finding constancy and growth.

Employee engagement is often the focus, but as the HR Coach Research Institute has found, it can't occur without retention of employees. **Retention Interviews provide the avenue for the individual voice to be heard.** To find out more about Retention Interviews and quantitative risk assessments using the **Career Monitor** visit www.hrcoach.com.au or discuss with your HR Coach Network Member.

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ABOUT HR COACH AUSTRALASIA

HR Coach Australasia is a member of the HR Coach International Network a network of business professionals working with clients to be more strategic and proactive in their people management. With member organisations across Australia and New Zealand, HR Coach Australasia is backed by the HR Coach Research Institute to provide insight and currency in applied methodology.

To find a member of the HR Coach Network or to find out more about retention interviews and the **Career Monitor** visit www.hrcoach.com.au

ABOUT THE HR COACH RESEARCH INSTITUTE

The HR Coach Research Institute uses unique data sets from the Star Workplace Program to identify current and emerging issues and innovations in workplaces. This analysis and report was collated by Louise Broekman, Chair of the HR Coach Research Institute and moderated by Udo Doring, secretariat.

To find out more please visit
www.hrcoachinternational.com

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