

# Classic Guide to Retaining Top Talent



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### What keeps employees inspired, engaged and happy?

Employee retention varies widely between occupations and industries.

The highest turnover rates are typically found in areas such as retailing, hotels, catering, leisure, call centres and other lower paid private sector services groups. Retention also varies from region to region, with higher turnover rates more likely to be found where unemployment is lowest and where it is easier for people to secure desirable alternative employment.

Long gone are the days when you stayed in the same job for your whole career, or that this would still be a desirable aim. On average, people will have at least 12 jobs in their lifetimes, with some changing organisations much more frequently. If you freelance or temp, you can have multiple jobs simultaneously. The ability to be flexible and adapt to new environments is positive and necessary in many sectors, and can enable you to learn new skills, enrich your life experience and help you to understand the diversity of workplaces, people and cultures.

However, certain industries will benefit from longer term commitment by the very nature of the occupations; e.g. a caring, counselling or teaching role where building a relationship of trust takes time; training in an area of expertise where sustained knowledge of a subject and of how people learn differently are invaluable; in partnerships and joint projects where information and objectives need to progress rather than keep starting from the beginning; or, in a service industry such as hairdressing, dentistry or plumbing, where seeing the same person can enable confidence in the results.

A moderate level of staff turnover can be good for an organisation; it provides opportunities for change, it means fresh ideas and approaches and it can enable other employees to take on new challenges, be promoted or work in different ways. However, every organisation needs to have a strategy in place to retain the high performers that give it a competitive edge - they are the ones you can't afford to lose. High performers are not only those with countless qualifications or who are in a senior position. A high performer isn't defined by salary but is someone who is committed to the organisation, knows the business and relationships thoroughly, is proud to work there, has people power rather than purely positional power, has outstanding inter-personnel skills and manages difficult situations well.

Ignoring high levels of employee turnover is unwise and can be very costly; it lowers internal morale and could harm an organisation's external reputation, therefore adversely affecting business. In such a competitive world, and with the economic downturn still creating much unpredictability and instability, understanding the importance of employee retention is vital. Not only this, but despite global economic uncertainty, people are still wanting to take risks in their professional life. Knowing that staying in the same job where the prospects for career development and new skills are poor, or non-existent, is enough to drive many people to look for other jobs, even with less pay. Employees will leave jobs if it means not stagnating and becoming de-skilled, when they could be widening their opportunities and networks to progress, albeit sometimes at a slower rate.

*We talk about a pay freeze, but we don't always talk about a skills freeze.*

Recruitment agencies are ideal in the current climate. Here at Classic Consulting, we cater for a whole range of people and industries which enable employees wanting a change of job or career to access new organisations, different ways of working, unlock talent and not feel that they are staying static ad infinitum. Now more than ever, as employees must work longer in life, they want to harness their gifts, and contribute creatively and flexibly in and out of the workplace.

### Why do people resign?

Some people find more attractive jobs elsewhere, new situations demand a geographical move or opportunities open up for a whole host of lifestyle changes, in which case retaining these employees isn't within your hands. However, many people leave their jobs because they are dissatisfied with their current situation.

### Main reasons people leave a job

In our experience, the most common reasons for leaving a job are:

- Not working in a sector that interests them
- Not using their qualifications fully
- Poor salary and benefits
- A lack of training and development opportunities
- Dissatisfaction with management
- Dissatisfaction with the company culture
- Lack of shared knowledge
- lack of transparent communication and engagement
- Inflexible working patterns
- Not getting along with colleagues
- The journey to work
- Lack of work/life balance

Standard methods to find out why people leave/want to leave include:

- Confidential attitude/organisational surveys
- Appraisals or reviews
- 'Exit' interviews
- Questionnaires sent to former employees around six months after their departure

However, while companies do conduct 'exit' interviews to try and ascertain the reasons behind a departure, because of the necessity to obtain a decent reference, people often tone down or don't declare their real reasons for leaving. The culture of the organisation and the relationship the Human Resources department has with the rest of the organisation also affect retention strategies once an employee has left.

## What can we do to retain good employees?

Understanding what makes employees motivated and engaged is not rocket science, but too often we fail to ask ourselves: what motivates and engages us? What motivates and engages others? We do not put ourselves in another's shoes as often as we should, and we forget what gives us meaning and purpose. Yet, these are not vague and arbitrary extras that a company has the luxury of understanding once its core objectives or products are established. These are the lifeblood of organisational stability and progress, its long-term success and competitive edge, over those who fail to understand how essential employee engagement and satisfaction are to any high-achieving business.

Here are nine elements to understand how to sustain employee retention:

- Motivation
- Self-evaluation
- Differentiation between a job and a career
- Understanding growth strategies
- Employee knowledge
- Employees as customers
- Creation of communities
- Organisational and employer brands
- Web recruitment

### Motivation

Understanding what motivates your employees is fundamental knowledge. How is it that many organisations have employees that stay but are not necessarily the best employees, and those with great skills leave for somewhere else, taking knowledge, influence and relationships with them?

Companies with high retention rates of good performers focus on three things:

- They know what their employees want next, not just what fulfilled them in the past.
- They ascertain where employees' goals connect with organisational goals.
- They openly communicate these opportunities to employees.

### Self-evaluation

There is nothing worse than being appraised or measured by a manager or colleague who knows less about your work than you do, and who have no understanding of your actual tasks and challenges.

High-achieving employees are already fully engaged in their jobs and in the organization, so invite them to set their own objectives, priorities and tools for measuring effectiveness and performance.

Inspire and support them by providing enabling tools for self-evaluation.

Reward employees who contribute ideas and ways for the organisation to improve, and reward employees who enable other colleagues to progress and succeed.

### **Differentiation between a job and a career**

More and more people are defining their working life as a series of jobs rather than as one career. This widens the conventional definitions of employment, and for us at Classic Consulting, enables more people to benefit from the range of jobs we can source and place. In an unpredictable market economy, and with global technology providing a greater number of tools with which to communicate, professional flexibility is key to both employees and employers. The more adaptable we are, the greater our reach; the less controlling we are, the more influence we can have.

Companies need to support employees in clarifying their top priorities. Companies can enable employees to view their careers as a set of assets that can be utilised in many different ways, within and beyond conventional jobs and remits. Companies need to identify potential talent as well as existing talent, so that when high performers leave, they've already reflected on emerging candidates rather than depending purely on external recruitment.

### **Understanding growth strategies**

Business growth is usually debated and decided by senior executives, regardless of who will actually be ensuring core growth on the ground. Yet strategic growth is more than just production and sales targets; it's about knowledge and influencing relationships. When employees are directly engaged in understanding growth, their capacity and motivation increases. They are more connected to their work and environment, so their relationship with these has more meaning and purpose - this enables more successful employee retention.

Employers are dependent on high-achieving employees in many unobvious ways, so identifying who they can't afford to lose is crucial information.

Employers need to identify and communicate widely their specific growth objectives.

Employers need to define activities/weaknesses that enhance/detract from those objectives.

Growth strategies are a way to recruit well qualified employees who identify with, and are attracted by, the objectives and have a track record in succeeding in their specific area(s).

## Employee knowledge

How many businesses in all sectors have let long-term high performers leave their company, without harnessing the extensive knowledge they have developed within and about that company? Apart from the time-consuming nature of recruitment and replacement, what a waste of all that knowledge and experience, now either utilised somewhere else or lost into the ether. Employees and employers need to, and want to, maintain their knowledge data and should be able to do so in a number of ways. If employees can shape a knowledge legacy once they've left a company, they will be more motivated to continue valuing that business, wherever they work next; and that can enhance mutual networks and relationships in a much wider sphere.

If employee knowledge is properly captured it can reduce duplication, assist with recruitment, clarify objectives, identify challenges, strengths and weaknesses and improve best practices.

## Employees as customers

Everyone knows when they've experienced good or bad customer service, and whether to decide not to use that product, return to that restaurant or buy from that retailer ever again. Employment is not dissimilar. If employees are treated fairly and with respect, they will respect their employers and be fair to their colleagues.

According to the online retailer Zappos, there are five ways to improving employee retention:

- Let employees be themselves.
- Let employees explore their passions and express creativity.
- Empower employees with tools to succeed.
- Provide opportunities for continuous learning and inspiration.
- Allow employees to fulfil their higher purpose.

Employees and customers are not a cost or a means in order to achieve a profit - they are an asset and a relationship that need to be nurtured and respected in order to thrive.

## Creation of communities and e-communities

Today, communities are 24/7 networks both physically and virtually, which means that more knowledge can be shared more quickly, and transparency, or its lack, becomes more obvious to more people. Communities create and sustain relationships which have influence far beyond their immediate vicinity. In the professional environment, this has huge implications for both good and bad - reputations are at stake; competition, success and failure are constantly visible; advice and inside knowledge can be pooled and verified.

Social media is at the forefront of so many of our communications and therefore, you need to maximise the tools available to attract the right people to your business. Social networks such as Google +, Twitter and LinkedIn are used the world over and by a huge demographic of talented people, so making your presence known within these e-communities is key in today's recruitment

environment. You can negotiate, spread your influence and demonstrate your vision as an organisation in imaginative ways and quickly, thus extending your reach to a far wider audience than the previously more conventional methods.

Creating communities (both professional and social) between employees at all levels, and alumni networks for when they've left, enables integrity and respect to be valued and sustained. Employee retention and employee morale are enriched by seeing that their organisation values its employees, whether currently or previously working for them.

What does your organisational and employer brands say, and to whom? Before you consider new strategies for candidate attraction and retention, have you made sure your organisational and employer brands are reaching their potential?

Every business, with the exception of new start-ups, has a reputation with someone, somewhere. Whether your reputation is borne out of long established credentials, the opinions of current or ex-employees and/or your customers, effective organisational and employer branding help attract good employees.

So, what's the difference between organisational and employer branding? The former is concerned with the overall objectives, production and output of the business, and the latter is concerned with the role and purpose of the employees. You can have a great product which everyone wants to buy, without the consumer having any idea of how the employees are treated. An extremely bad example of this would be sweat shops and factory workers, producing branded goods for which they are paid a pittance and working in illegal conditions. A good example would be an organisation where the employees are valued as much as the products - the organisational and employer branding are united internally and externally and are, therefore, stronger.

Employer branding is designed to recruit talented staff and discover new potential, so it acts as both an attraction and retention tool. Employer branding provides opportunities for earning and career development in a context of dynamic progress. If the business is visionary, knows where it wants to be and how to get there, it will attract the right people to implement its goals.

### Questions an organisation should ask itself in relation to employer retention

- Do you really know how you're viewed by your employees?
- Is there a mismatch between how different employees and departments see your organisation?
- Do people want to work for you, or just want a job?
- What is your company culture?
- Do you stand out from your competitors?
- Do you enable flexible working patterns?
- Do you value your employees and do they know this?
- How diverse is your employee recruitment selection?
- How engaged are your employees in the running of the business?
- How are you using the latest technology?

- Are you up to date with your social media and website content? Are they consistent, relevant, current and constant?

### **What does your website say about you and your employees?**

Many companies have exciting websites, but spend little time on the employee recruitment side of their content. It can be really hard to find vacancies on their pages, and when you do, they often tell you very little beyond the basic job function.

In order to attract good employees, you need to be more informative about who you want and why. A prospective employee will be in a much better position to choose you rather than your competitors if they know your brand, your vision and know they can add value.

If your online recruitment processes are consistent and effective, you can tap into a wider pool of candidates who may be more appropriate for other roles, future and emerging roles, for which you can access at a later date.

### **There is no one way to retain staff**

As we know, everyone is different, so by adopting and adapting a mix of methods, you should see an improved staff retention rate:

- Ensuring those being recruited have a realistic idea of what the job actually entails from the start. The number of jobs that have emerging 'extra tasks' and responsibilities that were never listed in the advert or job description is high.
- Improving career development opportunities and regular monitoring and evaluation of staff training opportunities.
- Effective appraisals which don't just tick boxes, but enable the employee to say what they think about their workload and how they want their career to develop, with relevant action implemented by the respective manager.
- Strong diversity policies creating a wider pool of people, skills and ideas.
- Effective and transparent means of handling bullying and discrimination.
- Good work/life balance modelled at all levels of the organisation.
- Consistent mechanisms for employees to register dissatisfaction, whether it be through appraisals, grievance procedures or other documented meetings/forums.
- Annual leadership/refresher training for managers.
- Ensuring an inclusive and respectful ethos across the organisation.
- Ensuring appropriate knowledge is shared democratically.
- Providing a wide range of benefits that aren't simply based on financial reward.
- Conveying a passion for the organisation, so that employees are inspired.
- Appreciating and valuing employees visibly and verbally.

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