

## **Leadership as a Talent Retention Tool**

**By Gayla Hodges**

The way you treat people is one of the most important factors in your company's ability to keep the talent you want and need to make your business successful. You as a manager, as a leader, may be one of the most important talent retention tools your company has. And remember the key to retention success: *People don't leave corporations, they leave bosses.*

There has been a lot of discussion and study in recent years about why people leave jobs. According to the U.S. Department of Labor and the Bureau of Labor Statistics, the number of people who quit jobs (instead of being fired, laid off or downsized) accounts for 42-63% of all people who leave jobs in a given year. This represents a lot of talent leaving corporations.

Some leaders are content to glance over an internal exit interview and conclude that the valued talent is walking out the door because other companies are offering better salaries or benefits packages or because someone else offered them a chance to advance or do something different.

External exit interviews and independent research tell a different story. Corporations that want to be successful in leading in retaining talent are listening carefully to these findings. A recent study by the Gallup organization found that "at least 75% of the reasons for voluntary turnover can be influenced by managers."<sup>\*</sup>

Based on information gathered over a thirty year period, the Gallup organization reported the following reasons for leaving:

1. Career advancement or opportunities for promotion (31.5%)
2. Pay and Benefits (22.4%)
3. Poor job fit (20.2%)
4. Management or the general work environment (16.5%)
5. Flexibility or scheduling (7.7%)
6. Job security (1.7%)\*

Since leaders have a direct impact on the majority of these areas, it becomes apparent that your leadership can make or break any retention program you devise.

In another study by the Saratoga Institute, the following reasons for talent loss (based on almost 20,000 interviews) were given:

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.\*\*

Again, leadership can and should have significant impact on all of these areas.

My personal experience is that many people leave jobs because of the way they perceive the working environment and their opportunities to do what they love to do in a way that allows them to be effective, efficient and successful. In fact, in many cases when people leave a job because of a mismatch with the job, the mismatch is *perceived* rather than actual. This perception points to either a poor hiring decision or a failure of management to provide people with the tools and the opportunities they need to do the job.

Often people point to the immediate supervisor (boss) as the reason for leaving a job. This might be because the supervisor is not able to adequately communicate expectations or goals. It might be due to the supervisor's management style. It is often because the individual believes the manager is not providing the equipment, materials, resources or opportunity to perform the job adequately. This may point to the failure of the immediate supervisor to hear what their team members are saying; but it could also reflect an unwillingness of senior management to make those resources and opportunities available.

Leaders and managers each see the workplace from a unique perspective. Executive leaders are looking at the biggest overall picture from the organizational level and with an eye to external impacts. Middle-level managers are looking at the bigger picture from an operational standpoint. Front line managers view the workplace from the actual functional, nuts and bolts operational point of view. This means it is the front-line manager who is in the best position to evaluate what employees need in order to do their jobs proficiently. They must then effectively communicate those needs up the ladder to ensure that all reasonable needs are met.

The front line manager also must be the person who knows each employee well enough to understand the working environment in which the employee can succeed. Leadership skills become critical in working between employees and upper management to create the environment needed for success. This might mean managing resources, it might mean working with flexible scheduling, but it is almost certain to mean treating employees with the appropriate respect and providing clear communication of tasks, roles, expectations and assignments. It also almost certainly includes providing appropriate growth and advancement opportunities and coaching for each employee.

Effective leadership from any management perspective also requires leaders and managers to understand who their employees are and how they function at their natural best, as well as what is important to them.

People with a high take-charge characteristic tend to assume people understand where they are going. When their communication is ineffective or inadequate, employees become frustrated because the targets are unclear. In time, this can create a lack of respect for the leader or worse, a perception that the leader doesn't value the employee for the contribution s/he is making. .

People who demonstrate a "high allegiance characteristic" approach tasks from the leader > process > procedure paradigm. They look to the leader to provide clear direction about the process and the procedure, as well as the goal. People motivated in this way, especially if they are more collaborative and supportive in terms of the way they take charge, must be able to respect the leader. That respect hinges upon the ability of the manager to communicate to each employee that the employee is valued and valuable in reality and not just by giving lip service to the idea. Clear goals and direction must also be provided consistently. It is also the line manager's role to communicate to employees a clear and consistent understanding of corporate goals, strategies and direction. It is in this last role that the manager has the opportunity to build team cohesion and respect, as well as employee buy-in on corporate goals and respect for senior corporate leaders.

If employees are engaged in the corporate and team goals and strategies and they feel valued and respected for doing their jobs well, they are less likely to leave. Leaders at every level of the corporation must consistently communicate to employees the goals, the reasons for the goals, the strategies in place to achieve the goals, and the valuable contribution of each employee to implementing the strategies successfully.

*\*Turning Around Employee Turnover: Costly churn can be reduced if managers know what to look for – and they usually don't, " by Jennifer Robison.*

<http://gmj.gallup.com/content/106912/Turning-Around-Your-Turnover-Problem.aspx>.

*\*\*Dealing with the Real Reasons People Leave,* by Judith A. Ross, Harvard Business Publishing. Article Reprint No. U0508A.