

## RETAINING TALENT

*In a decade where companies have channeled vast sums of money and resources towards creating a customer service focus, an internal battle is still being fought to retain those talented staff members responsible for making profits grow.*

By Tricia Reardon

Privatisation, deregulation, globalisation, technology, restructuring and downsizing have contributed to a rapidly changing corporate environment where the requirement for employees to be flexible and adaptable is a necessity. The down side to this is that employee loyalty has diminished. Better educated, technically capable, highly skilled and commercially savvy professionals know their value, and they are not prepared to accept a work environment that doesn't meet their needs. Quite simply, job mobility is increasing.

In a recent survey by Qantum Research of 2,300 Australian managers and employees in 400 companies, only 49% of workers are satisfied by their work with 26% actively looking elsewhere. It appears that companies may be sophisticated and rigorous when it comes to managing their financial and physical assets, but are paying lip service to the much used statement "our people are our greatest asset."

The impact of losing key staff is far reaching and can be summarised as:

- reduced effectiveness / productivity
- lost competencies / skills / knowledge
- further increased staff turnover because of unrest / low morale
- reduction of client satisfaction from dislocated service and performance
- \$ cost of increased external recruitment
- \$ cost of training for new staff
- \$ cost of having to buy staff from an applicant tight marketplace

Retaining talented people is therefore a serious business. It requires a commitment in time, effort and resources to developing and implementing an effective strategy and employer branding exercise.

A retention strategy starts with culture and values. It requires an honest and frank look at how your organisation is viewed, and then defining this in a meaningful manner. This may be through creating value statements that reflect priorities, driving forces, the manner in which employees, customers and suppliers are valued and the actions that enact these fundamental values. A clear vision and mission/purpose are also critical to defining the culture.

Once this is understood, it should highlight your branding image and why talented, ambitious, motivated staff would want to work for your

organisation and not your competitor's. Your brand will also determine the type of person best suited to your organisation and help to refine the recruitment process to ensure the best fit rather than a focus on just the best skilled person.

Retaining good staff means that the recruitment process must identify and attract them in the first place. Position descriptions should reflect growth and development, and not be static or rigid. Performance measures should be clearly outlined, along with the benefits a potential employee can expect for achievement. Recruitment advertising should promote the company's branding image as well as the position, expectations, benefits and prospects. Line management should be skilled in conducting interviews and have a clear understanding of what it is that they require in the role as well as what constitutes good cultural fit. Professionalism in the interview process goes a long way toward influencing potential talent.

Simultaneously to the defining of culture and the refining of recruitment processes, close scrutiny should be paid to induction, development, succession planning, performance management, communication systems, and compensation/benefit planning, as these are crucial elements to an effective retention strategy.

Becoming an 'employer of choice' requires organisations to offer employees roles that satisfy their desire to make a meaningful contribution, provide excitement, flexibility, growth and reward. In his book, *Gaining Commitment*, Michael O'Malley suggests that there are five key considerations in gaining loyalty and commitment from talented staff: fit and belonging; status and identity; trust and reciprocity; emotional reward; and economic interdependence.

Company culture, however, appears to be a key overriding factor to employee retention. Good morale and culture are often cited as the major motivators behind retention. Sound management and communication come second, with acknowledgement, rewards, security, stability and remuneration following on about an equal third level.

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