

How to keep your best people

Now more than ever, organisations need to think hard about their retention strategies. Teresa MacGregor and Paul Wood consider generational differences and offer tips on how to conduct exit interviews that will add real value to organisations.

Retaining top performers in an uncertain economic climate is critical to the success of organisational strategies, goals and financial performance. Star employees contribute to organisational success more than others, and set the standard to which others aspire to. But the reality is that turnover often affects the employees an organisation can least afford to lose. Within the current climate of tight financial constraints and an ageing workforce, understanding the causes of voluntary turnover has never been more important.

Many organisations have been conducting exit surveys and interviews of employees leaving their organisation for years, but they fail to collate the results into meaningful themes that could advise organisational strategy. Instead, the results of exit interviews are filed away to collect dust, without any further thought or analysis. Now, the dust is being blown off, and many organisations are re-evaluating this process, in particular how exit interview information can be most usefully gathered, made operational and integrated.

Collecting exit interview information systematically (ie, using a structured question set and process) facilitates the identification of key themes or patterns responsible for voluntary turnover. For example, a common experience of many organisations is the pattern of employees reporting poor relationships with managers as a cause of turnover during their exit interviews. This is often the result of managers promoted on the basis of technical capability rather than leadership or people management skills. The identification and location of a pattern of poor managerial performance then provides the impetus for targeted leadership training and development.

Reasons for leaving have frequently been categorised as either *push* or *pull* factors. Push factors typically drive employees away from the organisation while the pull factors draw employees towards other organisations. Generally, push factors stem from an underlying unhappiness with their employment or unmet expectations, while pull factors are the benefits and attractors (perceived or actual) of moving to another organisation/role. Examples of commonly reported push and pull factors are detailed in the table (right).

The strength of push and pull factors can also vary within different economic climates. For example, job security is likely to be a factor in today's economy, while in a booming economy the pull of a more challenging job with greater opportunities may be a larger drawcard.

Similarly, generational differences have been argued to influence the likely push and pull factors that employees experience. Baby boomers (1946–1964), who characteristically value consensus and authority, may feel pushed out of organisations that are reducing the level of hierarchy and asking for all employees to take on board some level of responsibility. Gen Xs (1965–1978), who value results and autonomy, are likely to feel attracted towards organisations where they can determine their own approach to how they work and achieve results. Gen Ys (1979–1994) on the other hand characteristically have higher levels of self-esteem, value change and tend to be less structured, and may tend to be less concerned (compared to other generations) with reduced job security.

The importance of focusing upon the characteristics of Gen Ys in succession and retention strategies only increases as the current workforce ages and the number of younger workers grows. So how does one look to engage and retain this generation? It is certainly possible to initiate catch-all strategies around their generally described characteristics.

Gen Ys typically like flexibility in their careers—work-life balance is a must rather than a dream. While they are obsessed with productivity and happy to work longer hours, it is essential that this fits into their schedule. To retain a Gen Y employee, look to incorporate flexibility with respect to how, when and where they go about completing tasks while still remaining committed to the end goal.

Most Gen Ys grew up in an environment where they received constant feedback and praise. It is not surprising then that they thrive in an environment where there is an open flow of communication. With a strong need for immediacy, they like feedback and evaluation weekly, rather than once or twice a year. Employees wanting to retain Gen Ys should look to implement mentoring programmes, and individually



Commonly reported reasons for leaving employment

Push factors

- Unsatisfactory incentives/remuneration
- Limited career opportunities
- Job-related stress
- Unsatisfactory relationship with my manager
- Unsatisfactory relationship with my peers

Pull factors

- Better career/progression opportunities
- Partner has a job outside the region
- Less travel/job closer to home
- Greater job variety/change
- Stronger culture/morale

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recognise or advise how well they are doing once a week.

This group also likes to show how their work makes a difference and the value that it gives to an organisation. Regular development and advancement plans are essential to retaining these employees. Living up to expectations is a key driver of the Gen Y work ethic, and they expect the same from their employer, so if you make any promises, be sure to live up to them.

While the characteristics ascribed to Gen Ys may be more prevalent within this latest generation of employees than their predecessors, there will still be a lot of variation within this group. For example, there will still be substantial numbers of Gen Ys who respect authority, adopt a structured approach to completing work tasks, and suffer pangs of self doubt. Recognition of this fact suggests that HR departments must still base turnover interventions upon push and pull factors relevant to their own organisations and employees.

Harvard Business Review contributors Tamara Erickson and Lynda Gratton in their article 'What It Means To Work Here' (2007) further illustrate the importance of understanding your organisation's push and pull factors rather than simply looking for more general solutions. Organisations risk higher turnover and reduced engagement by simply trying to attract and retain Gen Ys as a homogenous category of employees. They are better served to instead determine what their 'signature experience' is and hire and retain accordingly.

This involves determining and explicitly communicating to candidates what makes your company unique. Companies which do this demonstrate a clear understanding that different types of people will shine within different companies, and that not all employees want the same things, not even among Gen Ys.

What will truly make some organisations great within the current economic climate and ageing workforce context is the ability to attract and retain those Gen Ys who are excited by the environment they will be working in and the work they will be doing. The place to start on this quest for greatness is an analysis and understanding of what your signature experience really is. Once this is determined and explicitly communicated, it becomes possible to ensure that one's culture and processes are in line with this experience. If this is the case, turnover will be reduced to natural attrition and the weeding out of candidates who didn't fit within your organisation.

Yet the place of exit interviews remains. Without employing a structured approach to finding out why employees are leaving a company, organisations cannot readily identify what factors are responsible for turnover. This leaves them open to the continuation of practices or policies that are not in line with their signature

Top 5 exit interview tips

1. Investigate both *push* and *pull* factors of voluntary turnover
2. Focus on key themes or patterns rather than isolated incidents
3. Identify any general patterns within organisational groups (eg, teams, departments)
4. Use the information to support focused initiatives
5. Determine your organisation's signature experience

experience, and that result in losses of those whose values and preferences are most in line with the goals of an organisation.

So how does one ensure that the right people remain? Firstly, the results of exit interviews must be aggregated across organisations, teams, or departments. Secondly, these results must be analysed for trends, patterns, and themes. Then and only then can companies determine what kind of strategies need to be implemented to increase retention and reduce turnover. In other words, do prospective employees have enough of an accurate insight into the company's signature experience to make the right call at the recruitment phase? Or does the organisation need to make adjustments to internal practices/behaviours to ensure things are consistent with its goals and values once the right people are on board?

People are likely to remain concerned about how to manage and retain this next generation of employees within the context of an ageing workforce and unforgiving economic climate. What will set the great companies apart from the mediocre will be the ability to hire employees with values and preferences that are consistent with the signature experience they offer. Exit interviews remain important tools for understanding employees perceptions of this experience, and checking internal processes/policies/behaviours are aligned with what a company is about.

There is plenty of anecdotal evidence of the differences between this generation and its predecessors, but keep in mind the same was probably true 2400 years ago when Socrates complained of the lack of respect and purpose among the latest generation of Athenians. **et**

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