



THE RETENTION FACTOR

By Betty Doo, Ed.D.

What is the major reason people leave their jobs? No, it is not money, though appropriate compensation certainly helps attract top talent. The primary reason given in ANONYMOUS surveys is simple: difficulties getting along with one's boss. That's right, talented, committed high potential employees, from individual contributors to higher level executives, leave their companies every day because they simply don't get along with their managers; yet, this remains one of the most neglected workplace realities in the business world today.

The relationship between a manager and his or her direct reports is critical and this is true at every level of an organization, in companies large and small. Yet the importance of these relationships to a company's resilience and success is frequently overlooked. In many cases, managers are not even aware of the dissatisfaction within their ranks; and, unfortunately, the costs associated with this oversight are tremendous.



Companies often implement complex performance management or career development systems targeting performance, retention, succession-planning, and employee development. These are important features of a strong company--they indicate the value and necessity of a strong leadership pipeline. Yet, many times these processes fall short. Why? Because they neglect a critical factor: the manager-employee relationship.

How many times have you seen this scenario? One particular manager, whom everyone in the department or division recognizes is a poor leader, hires and rehires new staff all the time only to have them leave precipitously. It seems there are always "reasons" as to why it didn't work out---not the right fit, poor hire, personal reasons, etc. Human Resources conducts exit interviews, as they should, but, unfortunately, exit interviews frequently do not reveal the core underlying issues. When leaving a company people rarely reveal their true dissatisfactions for fear of burning their bridges. They aren't comfortable discussing their "boss" problems. As a result, relying upon the exit interviews to inform you of what is really going on is insufficient.



What is the answer? Is there any hope? The solution is actually quite simple. Not necessarily easy, but simple. Companies need to pay much more attention to the manager-employee relationship. Managers should be evaluated not just on their technical and business skills but also on their people management capabilities. Companies should also provide training and development to managers whenever they are promoted to a new level within the organization. Typically professionals are promoted for their expertise—in finance, technical areas, or functional industry knowledge. However, as they move into management and executive roles they need additional skills and capabilities, which often fall outside their areas of expertise. These are the critical leadership skills such as having the difficult conversation, delegating, avoiding micro-management and managing conflicts appropriately.

Some progressive companies are tying compensation to people development performance factors and providing training and development, coaching or mentoring for newly promoted managers. This is taking the long view. High turnover is expensive; so is the opportunity cost associated with losing high potential managers and employees.

Managing today is highly complex given the global, diverse and rapidly changing nature of the work world. To be successful, companies must help their managers become better managers, and this applies to front-line management as well as the C-suite. How? By giving them the time and opportunity to develop new capabilities. By measuring their performance in attracting, hiring, retaining and promoting strong talent. By, in essence, helping them become leaders who inspire others, and build the trust needed, for creating an engaged, committed and successful workforce.