
Psst... Are Your Best And Brightest Looking To Leave?

by Mike Hoban, Senior Consultant, DDI

As the economy shows signs of slow resurgence and companies, with cautious optimism, begin to hire again (and yes, they will hire again) it could trigger the start of a disruptive revolving door in many organizations. Why? There's evidence that talented employees and managers will exercise their "free agent" status and trade employers after clinging to jobs they tolerated primarily because they paid the bills during these tough times.

"Voluntary" turnover occurs when an employee quits of his or her own volition, as opposed to a termination or a layoff. Since the year 2000, the annual voluntary turnover rate in the U.S. has been 20% or more. Some of those individuals quit their jobs to go back to school or to start a family or for any number of other reasons. But clearly, many of those people leave their jobs for other jobs. Maybe there is a brighter future with another company, a chance for better upward mobility with an organization that's positioned for success in this changing economy.

The flip side of seeking out a more positive workplace experience is of course avoiding a numbing or negative workplace experience. If there are options, why put your energies into an organization that makes you dread getting out of bed in the morning? But regardless of the potential motivations for leaving, that 20% quit rate has slowed dramatically with the recession because few organizations are hiring except the government. A lousy job is better than no job and it pays the mortgage, so many employees who would otherwise be inclined to move on or move up put their preferences and their ambitions on hold. But that could change with the economy's improving fortunes. There appears to be pent-up demand for that voluntary turnover.

Here's some supporting evidence. A workplace study, the findings of which were announced in late June, concluded that over half (54%) of employed adults said they were at least "somewhat likely" to look for another job when the economy improves and businesses begin to hire again. With employed

workers between 18 and 29 years old – Generation Y – the study found that 71% agreed with the same statement, that they would be at least somewhat likely to look for a new job when the economy improves. To borrow from a Wall Street expression, there might be a rush for the exits. Self-interest will trump loyalty and contentment with the status quo. DDI's own recent "Pulse of the Workforce" study conducted in late August revealed that more than half (51%) of the 1,000 employees surveyed said their career is stagnant or in limbo, and 44% of those who feel stagnant say they will likely look for another job when the economy improves.

Other recent research seems to confirm that many employees are becoming itchy for "better" jobs. A U.S.-based study released in February found that 65% of employees said they had recently "passively or actively" looked for a new job. However, managers at the same companies had estimated only 37% of those employees had done so. On several related questions, there was a similar disconnect found between the perceptions of managers about formal or informal job searching on the part of employees vs. what employees self-reported. And the technology of the Internet and social networking sites has proven to be enablers to the surreptitious searching.

That suggests that managers are severely underestimating the scope of the potential talent drain and the related costs of hiring, onboarding and training new employees to replace those who will have traded employers. The study (conducted by Salary.com) also found that the top factors employees cited for why they were considering greener pastures were: inadequate compensation, inadequate development opportunities and lack of recognition, the same factors cited in the previous year's survey. Surprised? Me neither.

It's that familiar old Maslow Hierarchy of Needs at work. During the downturn, survival and security – the bottom foundations of the pyramid - were or are paramount. Employees' needs for engagement or "self-actualization" in the workplace are put on hold until those more basic needs - like the rent and the

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car payment - were met. But when job options expand with the economy and security needs are met, employees will tend to seek the higher order needs in that familiar Maslowian pyramid.

What should managers in your organization be doing? Like with becoming and staying healthy, it's not hugely complicated but it does take focus and attention. If you were hit by a car as you walked across the street, the EMTs would not likely be focusing on your eating and exercise habits, they'd be trying to stop the bleeding and making sure you survived. A lot of companies have been hit by cars while crossing the street and have had to focus on survival as well, but with survival looking more assured, it's starting to look like the time to rebuild and replenish. So here's a short to-do list:

- For a senior manager, re-engage with the management team one level below. Not only are you at risk of losing some of them to what they might see as better opportunities, but they have a huge impact on the engagement and satisfaction of those who report to them. Engaged managers are more likely to work to engage those who report to them;
- Communicate regularly about the state of the company and the industry. Acknowledge how tough it's been. You might not be all the way out of the woods yet but create the hope of better times and give people a reason to stick around;
- Mention the unmentionable—that you are concerned about people perhaps starting to look at other options. Again, create some talking points about why people should stay with the organization. As Larry Bossidy is purported to have said, be “obnoxiously repetitive;”
- Remind people about the mission of the organization. Most of us aspire to be part of something larger than ourselves, so help break the “this-is-just-a-paycheck” mindset;
- For those who are seen as thought leaders or as having a degree of high potential, take them aside and let them know they are appreciated and valued and that they have a future with the organization. Be expressive, but don't overdo it. Most smart people can tell insincere flattery when they experience it;
- Take a new post-recession, critical look at your systems for selection, compensation, training, development and succession to ensure you are creating the kind of attractive and sustainable workplace in which people line up to get in, not to get out.

Turn the potential talent exodus into a talent management victory.

To learn more about how DDI can help you avoid an impending talent exodus, call:

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About the Author

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Read more of Mike's thoughts and give us your insight on this topic on DDI's Talent Management Intelligence Blog.

<http://blogs.ddiworld.com/tmi/2009/08/talent-exodus-as-things-get-better.html>

Find more highlights from DDI's forthcoming Pulse of the Workforce study.

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