

## Retention: Keeping the Best Talent in Difficult Times

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### THE RETENTION CHALLENGE

These difficult times – economically, competitively, and operationally – are creating multiple challenges for companies of all types and sizes. One of the most pressing challenges is ensuring that the best talent stays in the organization in order to accomplish more with diminishing resources. This “do more with less” challenge creates a greater demand for companies to ensure they are keeping highly talented people in all of the right seats on the bus. So how do you retain the best talent in these difficult times?

### UNDERSTANDING RETENTION

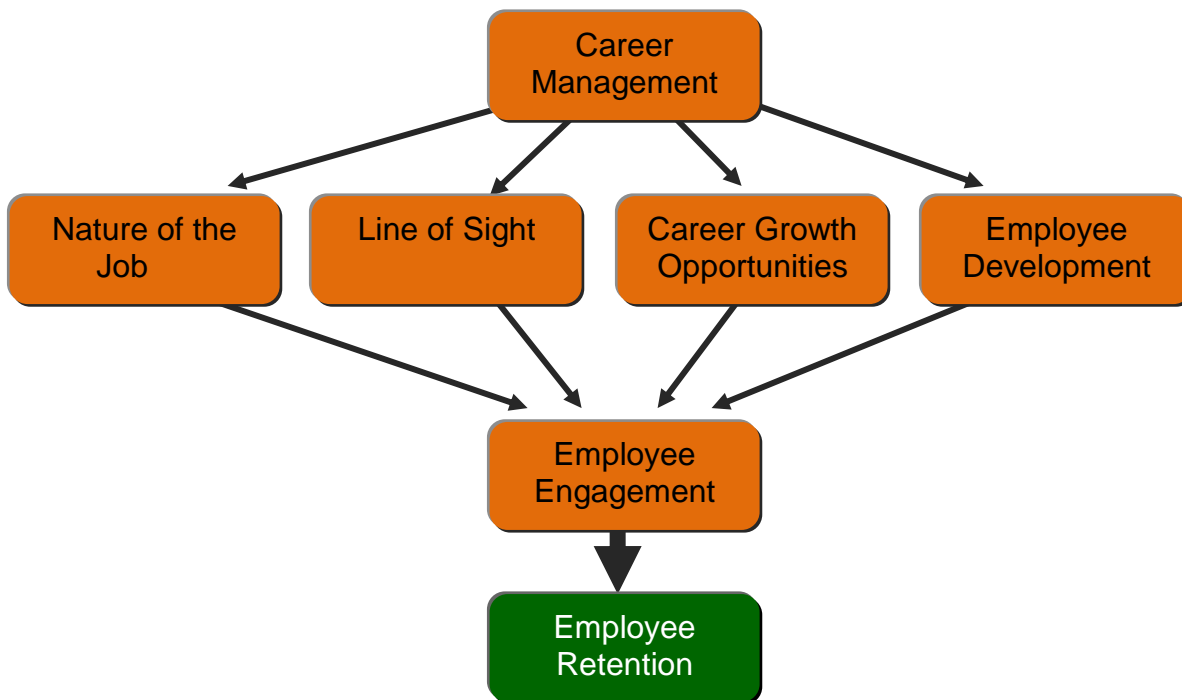
The best way to start addressing this challenge is to first understand what drives retention. One recent survey (Love ‘em or Lose ‘em: Getting Good People to Stay, Kaye and Jordan, 2008) asked 17,000 employees why they have stayed in their organization. The top three reasons in order were:

1. Exciting work and challenge
2. Career growth, learning and development
3. Working with great people

It is not surprising that the common theme in these three reasons is engagement. Companies that 1) ensure employees have interesting work to do, 2) provide a career direction and developmental resources, and 3) create a strong team environment have a stronger likelihood of retaining their employees.

This finding is consistent with research BHI has found on the major drivers of engagement and confirmed by The Conference Board summary of factors influencing employee engagement. By establishing a career management program, companies 1) make the work more compelling, 2) create a line of sight that shows employees their career possibilities, 3) generate opportunities to grow, and 4) provide more tools for employee development. As shown in the chart below, when the connection is made between engagement and through career management, the result is greater retention:

Figure 1  
Linking Career Management, Engagement, and Retention



## THE RETENTION SOLUTION

Knowing that career pathing drives retention through various points of engagement, let's explore career pathing programs further. This section will answer a few of the most common questions our clients have regarding implementing career pathing programs and strategies as a retention solution.

Question #1 - What are some considerations around building a career path?

- Career paths should be aligned with the company's mission, vision, goals and strategy
- HR must have a seat at the strategic table in order to gain executive buy-in.
- The career management program should be branded and include a customized visual map
- This type of effort is a large-scale organizational change initiative
- The career management program should use High Definition Competencies as a foundation

Question #2 - Beyond retention, what are the major advantages of a career path?

A well constructed career path:

- Serves as a strategic recruiting tool
- Creates clear line of sight to drive stronger engagement and higher retention

- Serves as an organizing principle for:
  - Roles and responsibilities
  - Workforce planning and staffing
  - Long-term development
  - Succession planning
- Generates greater focus and productivity
- Communicates that the organization cares about employee success
- Builds a stronger pipeline of talent

Question #3 - What does a comprehensive career path include?

- Detailed competencies for each position/job family included in the path
- A visual flowchart/map customized for the organization's culture
- Integrated and defined selection and qualification processes to move into each role
- Training and developmental tools and resources
- Communication and socialization tools and strategies

Question #4 – How do you measure success upon implementation of a career path?

- Performance metrics:
  - Hard data (sales, productivity, internal promotion rates, etc.)
  - Soft data (competency ratings, quality of promotes, etc.)
- Turnover/retention rates with ROI
- Internal promotion rates
- Exit interview data
- Engagement surveys
- Employee/business workflow observations
- Anecdotal feedback

## WHERE TO GO FROM HERE

Building a career path for any organization is a transformational event. Undergoing such an effort requires the right state of organizational readiness, a dedicated team of change resources, and strong communication. However, the rewards can be tremendous. For example, one of BHI's hospitality clients who implemented a comprehensive career management program using our best practices methodology saved over \$5 million dollars in turnover reduction among their hourly and management staff. For this client, career management was certainly an impactful retention solution.

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