

## Employee Retention Overview

Why are we concerned about employee retention now, when we also are talking about a reduced state workforce? The reality of hiring freezes and possibly even layoffs during economic slowdowns means it is critical to focus on retaining and enabling our remaining people to reach peak performance. Lean organizations depend heavily on the performance and quality of current employees. Current employees have specialized, institutional knowledge.

Also of concern are the costs of employee turnover, including hiring costs: time spent in screening, verifying credentials, references, interviewing, hiring, and training the new employee just to get back to where you started. In addition there are the hard costs of productivity loss. Replacement costs usually are 2 ½ times the salary of the individual, and may include lost customers and business and damaged morale.

### The Eight Elements of the High-Retention Organization

1. Clear Sense of Direction and Purpose
2. Caring Management
3. Flexible Benefits and Schedule Adapted to the Needs of the Individual
4. Open Communication
5. A Charged Work Environment
6. Performance Management
7. Recognition and Reward
8. Training and Development

*From: SAS Institute: A Calm Ship in a Sea of Turbulence*

Strategies of a retention plan include:

- **Courtship**—Addressing the initial phase of the relationship, courtship gets you, the department, and your new employee started on the right foot.
- **Coaching**—Building confidence and competence through training, encouragement and education, coaching includes orienting, mentoring, and leading, which are critical to developing long-term loyalty.
- **Communication**—Linking people and tasks together, communication is the open, concise exchange of information that promotes good morale and a feeling of contributing and belonging.
- **Compensation**—Broadly and creatively viewed, compensation to employees comes in many forms above and beyond the rate of pay.
- **Collaboration**—Working together in joint intellectual efforts, collaboration creates a sense of connection through shared experiences, responsibility, and success. Developing an employee who feels like a member of the team results in longevity.
- **Commitment**—Demonstrate commitment through empowerment, building trust, frequent feedback, appreciation, recognition, and not taking an employee for granted.
- **Continuous Improvement**—Updating skills, knowledge, and abilities, continuous improvement and employee development help an employee to avoid the possibility of professional obsolescence.

Samples of strategies already available or potentially available to state employees include these benefits:

- Ability to use pre-tax money for medical expenses or day care.
- Random days off (personal holidays).
- Banking flexible leave time (Sabbatical Leave).
- Pension Plans (State Retirement System and Deferred Compensation).
- Relocation aid.
- Family Leave Benefits.

(base benefits are described on WiscJobs at

[http://wiscjobs.state.wi.us/public/links\\_summary\\_page.asp?catid=2](http://wiscjobs.state.wi.us/public/links_summary_page.asp?catid=2))

Agency strategies that influence retention include:

- Employee respect.
- Involvement of employees on teams.
- Clear agency goals.
- A participative management.
- Creating partnerships with key sources such as educational institutions.

- A series of meetings to inform all new personnel about the advantages and benefits of a career in state government.
- Succession planning.
- Specific training for managers and supervisors.
- Mentoring.
- Valuing employees as growing investments.
- Employing innovative measures to utilize older workers.
- Developing and nurturing future leaders.
- Forecasting future staffing needs in hard to fill areas.
- Tap growing diverse elements of the workforce.

Other strategies that promote retention include:

- Employee recognition and award programs.
- Job switch days (mentoring or shadowing).
- Job sharing.
- Telecommuting.
- 360 degree feedback.
- Exit interviews (see examples).
- Surprise "spot" recognition for a job well done.
- Employee sport teams.
- Include family members in agency functions.
- On-site massages (Wellness Expo).
- Open communications—Statewide Suggestion Program, newsletters, intranet.
- Flexible schedules.
- Employee Assistant Programs (counseling for everything from drug and alcohol problems to finances).
- Onsite amenities (dry cleaning services, day care).

Additional Resources\*:

Commonwealth of Pennsylvania, Office of Administration

<http://www.hrm.state.pa.us/oahrm/cwp/view.asp?a=132&Q=125177&PM=1&oahrmNav=|7928|7932|>

South Carolina Budget & Control Board

<http://www.ohr.sc.gov/OHR/employer/OHR-wfplan-overview.phtm>

Wyoming State Government Workforce Report

<http://personnel.state.wy.us/WF/WFR2003.PDF>

State of Texas Human Resources

<http://www.hr.state.tx.us/Workforce/faqs.html>

Joan Lloyd and Associates, Management Consulting

<http://www.joanlloyd.com/articles.asp>

\*Please note that these links are provided as idea springboards. Some of these links offer retention ideas that may not be compatible with civil service contracts or Wisconsin ethics requirements for state employees.