

How to
attract and keep
GREAT
employees!

(It's **not**
about
the money!)

Create Your
Employee Retention Strategy
In Just 7 Steps!

 **HERO**TM eBooks

HELPING YOU BECOME A **HIGHLY EFFECTIVE RETENTION ORGANISATION**



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COMPLETE THE RETENTION STRATEGY



The HERO™ model helps you succeed!





1

CALCULATE THE BUSINESS CASE

HOW MUCH DOES IT **REALLY** COST TO REPLACE AN EMPLOYEE?

Save your organisation lots of money by reducing the need to recruit. You'll reduce recruitment by keeping current staff for longer.

There are 2 good reasons for starting out by calculating all the **REAL** costs of replacement:

1. You can more easily measure your success by comparing costs **now** to costs in **future** and
2. You can encourage the senior leadership team to support your retention solutions if you've made a clear business case based on cost savings and performance improvement:

“It costs us \$1,680,765 to recruit new customer service people every year, so by finding out why they leave and addressing those causes, we will increase retention and reduce those costs”.





There are 2 types of costs to calculate.

Budgeted costs, which might include:

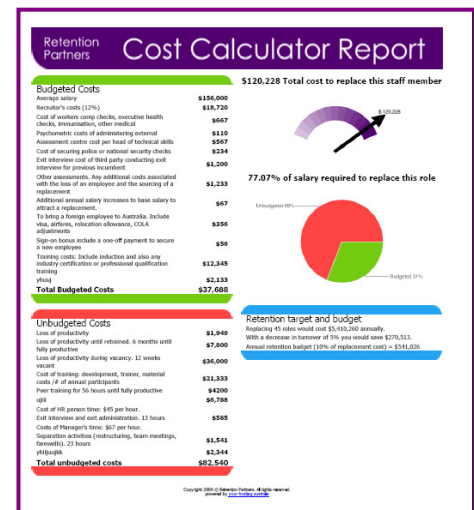
- ✘ Recruiters' fees
- ✘ Advertising bills
- ✘ Assessment centres bills
- ✘ Relocations costs
- ✘ Reference checks and outsourced exit interview charges
- ✘ Uniform, equipment, safety gear
- ✘ Overtime or contractor fees during the vacancy

Then there are costs that are difficult to count but they still exist. These are your **unbudgeted** costs, such as:

- ✘ The manager's time to train the new recruit
- ✘ The peer's time redirected during the vacancy and also spent training the new recruit
- ✘ Reduced, lost or delayed sales
- ✘ HR time redirected to replacement tasks rather than value-add duties

Retention Partners has made the task of calculating your replacement costs much easier.

As a purchaser of this eBook, you also receive access to our Employee Turnover Costs Calculator, with 17 suggested budgeted costs and 28 suggested unbudgeted costs.



Access the free Calculator now at (site access limited to subscribers and eBook purchasers only!)





4

ADDRESS RETENTION POLICIES

MAKE HR AND ORGANISATIONAL POLICIES
MORE RETENTION-ENABLING.

As an HR professional or business leader, you can influence policies that influence retention, such as:

- learning and development
- remuneration policy
- performance review systems
- promotion policy
- recruitment strategies

Take time now to audit your current policies to determine whether they help or hinder your retention efforts.

On the following page is an abbreviated version of our 39-point **HERO™** Retention Audit. Learn more about the online Audit And Score Service through www.retentionpartners.com.au.





HERO™ Retention Audit	Y e s	N o	N / A
Our recruitment strategy is designed to attract candidates whose expectations can be met	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managers are responsible for final recruitment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is proven alignment between job interview promises and reality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We track the effectiveness of our various recruitment channels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure our direct and indirect employee replacement costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have identified our high risk/high value employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have processes by which to understand the expectations of key groups of staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have engagement plans for all high value employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have mechanisms to capture key knowledge/skills of high value employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have a formal retention strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We allow salary packaging relevant to the needs of different employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have systems to monitor whether managers follow-through on commitments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our managers' performance is assessed by their sub-ordinates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managers' KPIs include responsibility for retaining their staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We exit interview all employees who resign, retire or whose projects conclude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We use exit interview results to identify retention strengths and weaknesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We consolidate all exit interviews to understand attrition factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure and publicise the cost of attrition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We maintain formal contact with former employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have planned career progression discussions with employees regularly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managers are trained in people management skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managers are rewarded for effective people management skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managers are promoted on the basis of people management skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managers are trained in and are good at providing frequent feedback	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We effectively deal with managers whose attrition rates are high	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

When answering the Audit components, if you are not sure how your policies affect your employees' decisions to join, stay or resign, your data-gathering (**see Step 2**) will show you.

Here are some examples of how data-gathering has revealed which policies must change in other organisations.





Organisation: IT company, 2500 employees

Policy change: internal promotion

Our survey of their current employees found that some employees believed they had to inform their current manager if they wanted to apply for an internal promotion. Employees were reluctant to apply because, if they were unsuccessful, they would be working with a manager who knew the employee didn't want to be there. That meant that some employees found it easier to apply for a job **outside** the business.

There had been such a policy in the distant past but it had been repealed years ago: their current manager *didn't* have to know about an internal application. As a result of uncovering that perception, the client re-published and regularly published the new policy to confirm that employees **didn't** have to tell their manager if they were going for an internal promotion. The organisation then saw an increase in internal applications and a decrease in attrition rates.

Without that knowledge, employees would have continued to find it easier to get a new job outside the company.





Organisation: Banking industry, 900 employees
Policy change: Bonus payment

When they stepped back to look at their exit data, they clearly saw that large numbers of employees resigned at the same time each year – directly after bonuses were paid.

Instead of one annual bonus, the organisation moved to smaller bonuses paid at regular intervals through the year and as a result, their attrition rates declined.

Organisation: IT industry, 3200 employees
Policy change: education assistance

Our surveys of all their former employees showed that many high value employees from one key business unit moved to their next employer because of, amongst other things, a substantially better education assistance policy.

The organisation improved their education policy to give employees another good reason to stay.

Organisation: Technical services contact centre, 300 employees
Policy change: employee referral program

In surveys of current staff, we found that no-one (not one employee!) knew that the organisation had an employee referral program, giving a financial reward to staff if they introduced a successful candidate.

We asked what rewards the employees would like to receive. That resulted in the organisation parking a Ferrari in the foyer of the building – the most successful referrer won the luxury car for a long weekend! Employee referral rates skyrocketed!





We hope you've enjoyed your sneak preview!

To enjoy the entire contents of this eBook, go to www.retentionpartners.com.au/eshop.php to complete your purchase.

Browse our other titles to see the full range of eBook assistance that's now in store.

We look forward to helping you become a **Highly Effective Retention Organisation!**

The Retention Partners team





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The HERO™ model helps employers succeed!

HERO™ eBooks are one part of the many tools and products now available from the employee engagement and retention specialists.

We created the HERO™ model to enable employers to attract and engage employees of choice, by adopting a systematic approach to analysing and addressing retention gaps.



Highly **E**ffective **R**etention **O**rganisations are those that have built:

- ✓ An articulated, costed, prioritised retention strategy
- ✓ Reliable sources of data about why employees join, stay and resign
- ✓ HR and corporate policies to actively support retention goals
- ✓ Tools to support retention policy and practice and
- ✓ Managers who are trained in how to engage their people

Find more retention eBooks to suit you at www.retentionpartners.com.au/eshop.php.

- ✓ 6 Tools To Increase Retention In Your Team Today!
- ✓ 52 Employee Retention Tips That Really Work!
- ✓ How To Attract Recruits Who Stay AND Perform!
- ✓ Retention Success: Your Free Guide!
- ✓ Make Exit Interviews Easy, Meaningful And Fast in 7 Steps!

Our contact details: +61 2 9362 8970 or 1300 73 83 71. We look forward to helping you further with your retention improvements!

