Key Result Employee (KRE) Retention: "Entrapping the mammoth"

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Abstract

Employee retention has been a buzzword for quiet sometime now. Companies across the globe are facing challenges vis-à-vis retaining their high potential or key employees. Many a practitioners have tried to device ways and means to counter the menace of attrition. With globalization, reaching its zenith coupled with opportunities emanating from otherwise considered the defensive sectors (like health and education) have only added to the agony of many enterprises.

Presented below is the attrition rate in BPO industry in 2007

Attrition	rates*
US	42%
Australia	29%
Europe	24%
India	18%
Global Average 24%	

* Source-Times News New York

Although there has been a recent resurgence of interest in attrition, it is an underreported and understudied phenomenon despite its potential to introduce bias.
This paper is an attempt to answer the question of retaining the Key Result Employees (KRE).
An attempt has also been made to identify the areas where special emphasis and strategies has to be deployed in order to effectively counter the menace of attrition

Key words: High potential employee/KRE Retention, Attrition, Ways/Methods

A scene of an exit interview:

Raman: "I have given this organization which a titanic wants when its sinking, I have given this organization greatest people , greatest levels of productivity, greatest levels of customers but now its time for me to hop and move on with my destiny to some other company".
Arun: "Are you aware of the reasons of your unhappiness? Are they personal or professional?"

Raman: "Dear friend, I do not believe that personal and professional lives are different, after all the person in question is one and the same. By the way as per you, "personal life" is just great. Somehow, I am not happy when I enter my office."
Top management: Ok, Mr. Raman it was nice having you on board. You are permitted to move on with life. All the best!
Raman: Thank you very much once again for not portraying the healthier side of you. (Satirically)

In the best of worlds, employees would love their jobs, like their coworkers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary and never leave.

Then there is the real world. In the real world, employees, do leave, either because they want more money, hate the working conditions, hate their coworkers, want a change, or because their spouse gets a dream job in another state.
Employee retention has been a buzzword for quiet sometime now. Companies across the globe are facing challenges vis-à-vis retaining their high potential or key employees. With globalization, reaching its zenith and opportunities emerging from the so-called defensive sectors, the pain of attrition is felt even more now.
One person like Mr Raman or one organization is not facing the situation diccussed above or by one country or economy rather 'retention of talent or key result employees' has become a global phenomenon.
There are times when the high potential employee is performing exceedingly well and seems to be so much committed that the question of his leaving the organization doesn't even flash through the mind. However, we wonder when the same employee wants to leave.
What can make an employee stay at his job? Perhaps this question needs some meaningful answer. We know that contemporary business scenario has become more dynamic thus resulting into increased competition in the market. Moreover, it is the law of nature that change

always   brings   in   turbulence.

Reasons for attrition:

1. Lack of growth

2. Lack of developmental opportunities

3. Availability of better career opportunities

4. Insufficient compensation

5. Regional salary differences

6. Lack of interesting work

7. Poor leadership

8. Poor relationship with peers and managers

9. Taking employees for granted

10. Mismatch of employee goal with that of organization

The above list is not exhaustive. The reasons discussed are sometimes quiet obvious yet most of the time hidden. The skill of Human resource personnel is tested when it comes to finding out the hidden reason(s) for attrition of a key employee.

How can we entrap the mammoth?
In examining both the research and the practices of retention, few major solutions appear. These solutions are core beliefs that govern decisions that affect employees, and, in turn, customers.

1. Focus retention Strategies on your unique situations.
   The situation of attrition differs for every organization. The point that should be kept in mind is that the most effective and tailor-made retention strategy be adopted that best suites the situation rather than adopting the most popular retention strategy.

2.Employees who contribute to 'how work is done' are more engaged and loyal.
The 2007 #1 spot on Fortune Magazine's 100 Best Companies to Work For is Google, which has a mere 2.7 percent turnover. Google allows its engineers to spend a portion of their time on projects they choose.

 One past winner, American Cast Iron Pipe Company, boasts the lowest turnover rate, at only 2 percent. At ACIPCO, a **Fortune** Best Company for multiple years, employees are represented on committees to ensure fair and uniform work rules, rates, apprentice training, seniority, medical service and the charity fund distributions. Moreover, there is more: Twelve employees are elected to a Board of Operatives, one is elected as clerical director, and an employee-at-large

advises management on employee relations and four elected employees are voting members on the ACIPCO board of directors.

3. Pay and benefits matter. However, you cannot "buy" true commitment.
 Scan the list of the 100 Best Companies (available at www.fortune.com) and you will notice a plethora of attractive employee benefits, from on-site medical/dental clinics to day care and fitness centers. However, it is not the glue that holds top talent. Sixty years of research still tell us that the true motivating environment is based in the intrinsic motivators of choice in how work is done, seeing results from the work performed, meaningful work and learning and growth opportunities. Yet there is no denying the powerful message sent by management when it channels resources into benefits that influence the well-being of employees and their families. Duncan Aviation, a recent 100 Best, boasts a low 6-percent turnover rate and provides $8,000 in scholarship funds for each employee's child.

4. Layoffs are a last resort.

   Loyalty is a two-way street. An economic downturn is where the rubber truly meets the road. The no-layoff policy at semiconductor company Xilinx has remained intact in the historically bad technology downturn. Employees had pay cut 6 percent; the CEO chopped his pay by 20 percent.
Yes, management often must use layoffs to save the company. However, employees always wonder whether there is not more management can do in marketing, product development and streamlining business processes. Credibility is on the line.

5. Learning and development are priorities.

 Edward Jones, which formerly held the Number One slot on the *Fortune* list, spends 3.8 percent of its budget on training, with employees averaging 146 hours. New brokers receive four times as much.
   "Grow your own" is how talent-short industries are bringing people into the field. Hospitals are leading the way, with nursing school programs located right on their campuses. Paid tuition helps lower-wage nursing assistants get their RN degrees and move to a higher skill level. European nations never let go of their apprentice programs. What better way to have employees skilled in exactly the methods and practices your organization needs than to train them yourselves?

6. Reputation breeds retention.

 How does your organization stack up? How many job applicants do current employees refer? How many people visited the "careers" section of your web site after

publication in the media of an article about your company's community-service deeds or workplace attractors? Are all indicators and results of an organizations reputation.

7. Simple and lean allows people to do what they love. Work should make sense.

Beware: Younger-generation workers have even less patience for tedious processes, unnecessary paperwork and needless bureaucracy. The key to improving productivity in your organization may be as simple as: Get out of people's way! Learn about lean processes to explore how unnecessary paperwork and approvals can be eliminated.

8. The Golden Rule still rules.

Respect for employees by management is a hallmark of organizations with low turnover. Treating employees no differently, than managers expect to be treated is a cultural imperative at organizations truly committed to their workforces. These organizations have narrowed the traditional management-worker gap. Most noteworthy is that employees generally pass along how they are treated to how they regard customers. We know, too, that losing a key customer-contact employee often means losing the customers who depended upon them.

9. Keep people "in the know," not in the dark.

A study at George Mason University found employees stated their three top motivators as appreciation, being well informed and empathy. People care deeply about their work and want to know their efforts are helping the company and its customers. Baptist Health Care Corporation has a "no secrets" culture in which results of customer satisfaction, finances and employee satisfaction are shared with everyone.

10. Hire as if you could choose your family members.

We are talking more than reference checks here. Every person who joins your organization will affect others. Culture is a delicate thing; treat it with care. Keep current with the best learning on interviewing methodologies, and check for consistency of applicant values with corporate values and vision. Spend as much time as necessary getting to know candidates – and allow them to spend as much time in and around your organization as they would like. Imagine you were stuck in a snowstorm or fogged in at an airport with this person. Would they give up their last

quarters so you could get a candy bar out of the snack machine?

11. Value your employees, and you will have better business results.

Everyone loves attention. Moreover, employees appreciate if they are showered upon with praises and their efforts are recognized. Recognition for individual contributions goes a long way in retaining the key employee.

Improving Leadership Skills

Many senior leaders express dismay about the quality and actions of their middle managers and front-line supervisors. The "blame game" is old, yet the solutions are strikingly similar to those required to build an engaged workforce.

In most organizations today, supervisors have more people reporting to them than in the past, more demanding customers than ever and greater amounts of change – all occurring at the same time. Yet, the amount of training provided to managers and supervisors in many organizations is minimal. More importantly, the amount of time that senior managers spend in dialogue with middle and line managers also is minimal. Middle managers and supervisors can appear resistant to improvement efforts. However, the true failure exists in our understanding of their world, the challenges they face and the support they need in order to be successful. Successful organizations seek to build teamwork between senior leaders, middle managers, and line supervisors (which is a key ingredient in creating teamwork throughout the company).
Coaching for effective team building and leadership can play an important role here.

It is clear that there are massive costs associated with attrition or turnover however we can effectively counter such situations if we are in a position to correctly judge the attrition situation and the underlying causes and adopting right approach before its too late.
The ways and means discussed above are an exhaustive list of solutions, which Human resource personnel should know and make justified use of it.

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