

Employee Retention in the Twenty First Century

The business paradigm in virtually every department of the modern business has been undergoing continuous change in the last ten years to such an extent that it becomes necessary to step back and review how we do business in all aspects of corporate life in light of new markets and new ways even our employees do business. This is as much true in our Human Resource Department as it is in Marketing. The labor pool is changing and the impact on the bottom line of the business can see be serious if we don't change how we go about recruitment and view employee retention in light of the changes to the available educated labor "out there" to draw upon for our staffing needs.

Employee retention and how we approach the concept of keeping employees over many years is an area where certain assumptions must be challenged if we are going to stay competitive. Some assumptions concerning employee retention that are rapidly becoming obsolete include...

\$ That there is an unlimited resource of eager employees out there to fill my staffing needs.

\$ That it's a good idea to cycle employees in and out of the company because that keeps benefits costs down.

\$ That the "my way or the highway" approach to management is the right way to go to enforce your vision for how work will get done.

\$ That employees are commodities. There are always more where they came from.

\$ That employees should be grateful just to get a paycheck.

\$ It is better to keep a youthful staff and to move older employees out of the work place.

The labor pool is changing with shifts in the demographics in the country and those changes make these assumptions obsolete and dangerous if we expect to keep a staff that can provide quality support for our business objectives. Because the "baby boom" is leaving the market and being replaced with a smaller and less skilled youth population, we have to adjust our expectations both in terms of hiring and retention.

Probably the biggest change we have to get used to is to begin to view employees as valued assets and to give significant attention to retention, not just once a year at performance review time but on a daily and weekly basis. The assumption that employees will work for us for a paycheck and that we can exert leverage in the management situation because of a large labor pool we can tap to replace unhappy employees has become a flawed approach to people management.

The truth is the pool of talented labor is shirking at an alarming rate. If you have a staff of skilled people who you have invested in to bring up their knowledge and skill levels, that is an investment worth. Skilled and educated employees are in short supply and, above all, they know they are in demand so they can move from job to job without difficulty if they become dissatisfied at their current work place.

These changes to the paradigm of emplacement justify a corporate wide reevaluation of retention policies and strategies. The HR Department should be on the forefront of changing the business's attitude toward employees from one of "us against them" to one of employee empowerment and partnership.

The managers who will excel at retaining valuable, productive and trained employees will be those who see the employment relationship as a contract in which management has responsibilities to employees to assure their continued growth and success just as the employee must pull his weight in the company. A partnership approach to management will go a long way toward improving the company's retention profile which will benefit the business in a multitude of ways.

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