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Jumping Ship—What’s Behind It?

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When employees quit, the main reason is that they were not well matched to their jobs in the first place.” Caliper, a Princeton-based human resource firm, reached that conclusion after surveying 180 companies’ exit interviews.

Contrary to some views, employees do not jump ship because of money (only 26 percent mentioned wages) or workplace conflict (11 percent). Rather, the reason most give (40 percent) is a combination of limited challenge, poor advancement potential, and insufficient recognition.

Confirming this, a recent *Wall Street Journal* study found that factors related to job satisfaction rated highest among reasons for employee departures, with the absence of open communications as number one. Benefits, flexibility, and advancement opportunities are also important; however, as in the Caliper survey, salary and wages ranked far below feelings of personal fulfillment and comfort in the job. Employees need to know their work is valued and contributes to the growth and success of the organization.

So, what can be done to reduce turnover and its negative short-term effects on productivity and long-term damage to the company’s progress? Careful planning is essential if workers are to be kept on board as satisfied and contributing assets. A word of caution, though: quick or partial fixes will not work. What’s needed is a formalized employee retention system that includes these elements:

Focused Job Descriptions. Carefully written job descriptions define each position’s base function and responsibilities, establish recruitment guidelines, protect against legal actions, and force the employer and employee to communicate along the same path. They provide bases for job performance measurement and evaluation, responsibilities priorities, and reporting relationships. Clarity is the keyword.

Planned Career Development. Employees look for promotion opportunities to higher positions with greater responsibilities. They expect meaningful training that will prepare them for other jobs within the organization, perhaps in other departments, divisions, or locations. Along with that, they recognize the advantages of career improvement course work. Good workers welcome special assignments to task forces and project teams that will help them learn more.

Management. Length of time on the job isn’t the same as training; strong performance in an assignment doesn’t always equate to management ability. To become managers, employees need the chance to acquire skills and to relate to coworkers and the human resources staff. Good managers are the result of planned development in which the individual is informed, listened to, constructively evaluated, and appreciated.

Hiring the Right People. Finding good people for jobs need not be a hit-or-miss exercise. A search plan might include any or all of these elements: coordination through the human resources department, networking, finder’s fees, campus recruitment, advertising, and engagement of executive search firms and employment agencies. Careful evaluation following group and one-on-one interviews completes the selection process.

Appropriate Benefits. Attractive, effective benefit plans go beyond "conventional" health care, retirement planning, work environment, and education/training programs. They also include special recognitions for individual, team, and work group achievement, personal accomplishments, and life events; incentives; mentoring; and monetary or other significant rewards.

A Good Working Environment. An American Society of Interior Designers (ASID) survey revealed that employees—39 percent of those questioned—consider an important feature of their workplace to be cleanliness. A quarter of those questioned listed a visually appealing environment as desirable. Interestingly, good lighting, new furniture and equipment, and privacy and quiet were not high priority choices.

Exit Interview Management. To obtain the greatest benefit from exit interviews, ask a third party to conduct them and, even more important, wait about six months after an employee's departure before interviewing him or her (the individual will be more forthcoming and the answers more helpful). Once you have analyzed the interviews, share the essential points and insights with line managers.

Measurement. Turnover costs money and productivity. When workers leave, that means exit interviews, separation processing, and accrued vacation payments. The work still has to be done, so there are advertising, temporary workers, and coworker overtime costs. New hires must be interviewed, tested, and perhaps relocated; there may be search fees. Coworkers left behind may produce less; vacant positions slow production. Finally, each new hire must be brought up to speed before becoming productive.

In short, retaining good employees is good business—it saves money, increases efficiency and productivity, ensures a stable workforce, and improves employer/employee relations. In the words of Charles Hampden-Turner of the London School of Business: "It's not just wrong to exploit workers, it's stupid.... The trouble with crushing workers is that then you have to try to make high quality products with crushed people."

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