



RETAINING TOP TALENT

in a Competitive
Hiring Market



Steady job growth coupled with a record-low unemployment rate provides a powerful incentive for your most capable and productive employees to shop around for better opportunities — a risk that compounds if they feel they are not being valued or compensated appropriately.

Hiring managers are very aware of the challenge, with nearly half (47 percent) of HR professionals citing employee retention/turnover as their top workforce management challenge for the third year in a row, according to the 2018 SHRM/Globeforce Employee Recognition Report.

It's a good time for companies to ensure they're doing all they can to retain top talent. A clear view of the current challenges and potential solutions can yield valuable strategies for increasing employee retention and boosting their chances of being seen as a quality employer.

Cost of turnover

Given the tight talent landscape, employers would be justified in viewing staff retention strictly through the lens of fiscal responsibility. Turnover is expensive — it costs employers 33 percent of a worker's annual salary to hire a replacement if that worker leaves. In dollar figures, the replacement cost is \$15,000 per person for an employee earning a median salary of \$45,000 a year.

Baked into that number are less quantifiable obstacles to company success, including:

- › **Efficient business operations:** Losing talented employees and replacing them weeks or months later with new hires that need time to be trained and acclimated is nearly guaranteed to cause interruptions in the way tasks and projects progress. The collaborative nature of modern workplaces — nearly

80 percent of the average worker's time is spent interacting with, and giving feedback to, their fellow employees — makes this even more evident, as it becomes more difficult to switch out teammates.

- › **Knowledge transfer:** In a high-turnover environment, there can be countless lost opportunities to maximize the transfer of key company knowledge and processes. A lack of knowledge transfer can cause delayed ramp-up times for new employees, lack of adherence to best practices and the loss of consistency.
- › **Workplace morale and productivity:** Company culture and high turnover rates are deeply intertwined. High turnover creates a negative environment that tends to reinforce itself.

These factors are especially crucial in light of recent trends in employee engagement efforts that increasingly recognize the degree to which collaboration,

**IT COSTS
EMPLOYERS**



a worker's annual salary
to hire a replacement

work/life balance and a healthy office environment contribute to retention. "To be seen as an employer of choice, companies should shift away from a traditional focus on 'engagement' and 'keeping people from leaving' toward a focus on 'attracting and inspiring people' by delivering a fulfilling work experience that aligns personal and corporate goals," notes Deloitte.

Why do good employees leave?

There are a number of reasons employees quit. "People leave their jobs because they don't like their boss, don't see opportunities for promotion or growth, or are offered a better gig and often higher pay; these reasons have held steady for years," notes Harvard Business Review.

There are a number of other missteps companies make that contribute to attrition, including overworking staff and not honoring commitments. Aerotek experts also point to a few other ways companies may fail to set their employees up for success:

- > Paying uncompetitive wages
- > Failing to provide ongoing development opportunities
- > Not recognizing or rewarding good work
- > Not honoring commitments
- > Limiting creativity
- > Failing to challenge people intellectually

Solving for these issues can go a long way toward retaining top performers.

How to retain quality employees

Consider "pre-onboarding"

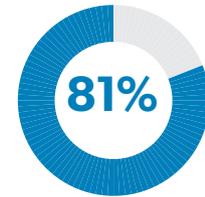
Creating a positive employee experience begins even before onboarding, notes Stephanie Elliott, recruiting programs manager for Aerotek, "Studies show that candidates often feel uncertainty and fear between when they accept the offer and the start date. To avoid that, I advise hiring managers to set clear expectations in preparation for their transition to the company and stay in communication."

Onboarding sets the stage

First and foremost, successful onboarding serves to establish a relationship that begins with understanding of both what the organization needs and what the employee needs," notes Dave Poling, executive director of operations for Aerotek. Conversely, a recent survey from Allegis Group among job candidates makes it clear the risk companies run if they fail to maximize the onboarding process:



would consider leaving the company based on a poor onboarding experience



would encourage others to apply based on a positive onboarding experience



would discourage others from applying based on a poor hiring experience

How do employers ensure a positive onboarding experience? The survey also offers some recommendations:

- > Organize and prepare early for the candidate's first day
- > Make sure IT and office resources are ready for day one
- > Introduce new hires to teammates and key stakeholders
- > Give new hires a tour of the facilities
- > Provide in-depth background on the company and business strategy
- > Continue to provide clear job expectations and meet frequently to address progress.

Importance of performance feedback

Employers should build a feedback-rich environment right from the start, Poling adds, "Establish frequent one-on-one time so that performance assessment becomes an ongoing process of improvement."

"The key is consistency," he adds. "In order for employees to grow they need to know what they're doing well and what needs to improve. And if there is a need to improve, that's when the employer can address next steps such as ensuring that appropriate support and resources are available."

Committing to a continuous feedback process that includes a well-thought-out annual performance review is crucial. Employees who are satisfied with the performance feedback process are more engaged and committed to the organization, and more likely to be retained, according to a recent Gallup study.

Prepare for a successful performance review

- › Set a date for the review that allows both the manager and the employee enough advance notice to prepare. Choose a meeting location where you will be free of interruptions and distractions.
- › At the same time, provide the employee with his or her current job description, a copy of last year's review and a self-assessment form to fill out.
- › Have expectations of the role changed or do they need to change? Job descriptions could be as much as a year old by review time and the needs or goals may have evolved in the ensuing time.

- › Prepare a draft review incorporating your thoughts from the year, as well as:
 - Notes from any previous performance discussions
 - Last year's performance review
 - Goals, objectives and performance expectations
 - Records of compliments and/or issues from the previous year
 - Request feedback from other managers who worked with the employee

Maintaining employee engagement

Engaged employees are often described as those who are enthusiastic about their work and proactive in promoting the organization's interests. Research over the last decade has made a convincing case that high employee engagement in the workplace is highly correlated with success in achieving business goals. Gallup's 2017 State of the American Workplace report found that companies with highly engaged employees experience 17 percent higher productivity, 20 percent higher sales, and 21 percent higher profitability, among many other positive metrics.

HIGHLY ENGAGED EMPLOYEES EXPERIENCE

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higher productivity

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What's crucial to maintaining employee engagement is begin by developing meaningful employer-employee relationships," advises Poling. "Employees want to learn and grow; they want to know they have advancement opportunities based on how well they perform current duties. Are they being valued, are they hitting goals, are they helping the company achieve success?"

"It's not just about what the employer needs," says Poling. "The best relationships are win-win."

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