

The Buck



It stops here.

By Beverly Kaye and Sharon Jordan-Evans

Who's really in charge of engaging and retaining your best people? The sign *The Buck Stops Here* was on President Truman's White House office desk, and Truman popularized the now-familiar phrase. Every culture has its way of saying *do not pass the buck*. In Chinese it goes like this, 责无旁贷, and it translates to *No shirking of responsibility*.

When we ask supervisors and managers how to keep good people, many respond, "With money." These managers place the responsibility for keeping key people squarely in the hands of senior management. They blame organizational policies or pay scales for the loss of talent. Or they point the finger at the competition or the location. It's always someone else's fault.

Well, the truth is, *you matter most*. If you are a manager, a front-line supervisor, or a project leader, you have more power than anyone else to keep your best employees. The factors that drive employee satisfaction, engagement, and commitment are largely within your control. And the factors that satisfy and engage employees are the ones that keep them on your team. The factors that engage or satisfy people and influence them to stay haven't changed much for 25 years: meaningful and challenging work, a chance to learn and grow, fair and competitive compensation, great coworkers, recognition, respect, and a good boss.

Don't you want those things? You *do* stand a chance. Your relationship with employees is key to their satisfaction and decisions to stay or leave. Consider this:

- 75 percent of the reasons for voluntary turnover can be influenced by managers (Research by the Gallup Organization).
- The relationship with the supervisor/manager was the top-ranked reason employers gave for why employees leave (Watson Wyatt report).
- 12 major studies on employee engagement agreed that the relationship with one's manager was the strongest drive of all (Conference Board).
- Among those who strongly agreed that they work for a manager who cares about their well-being, 94 percent said they intend to stay with their current employer, compared to 43 percent of those who strongly disagreed that their manager cared about their well-being (Center for Creative Leadership/Booz Allen Hamilton study).
- Most retention factors are within managers' influence (our survey of 18,000 respondents).

The evidence is clear—the buck stops with the manager. That reality is taking hold. Managers who think engagement and retention are somebody else's job need to think again.

In our exit interviews, for those who are honest, the major reason people leave is conflict with their manager. That needs to be dealt with, and those relationships need to be strengthened. Most managers do not see creating a retention culture as their responsibility. They do need to own this responsibility and be held accountable to create and maintain this culture. —CEO, nonprofit firm in Singapore

It's Up to You

Be a *love 'em* manager. A good boss who cares about keeping good employees will help them find what they want from their workplace.

We're not saying you carry this responsibility alone. Senior management and your organization's policies, systems, and culture have an impact on your ability to keep talented people. You may have human resource professionals who can help support your efforts. Even your employees have a role.

Yet, because of what research tells us about *why* people leave their jobs, you still have the greatest power (and responsibility) for keeping your talented employees.

"Bosses matter to everyone they oversee, but they matter most to those just beneath them in the pecking order: the people they guide at close range, who constantly tangle with the boss's virtues, foibles, and quirks. Whether you are the CEO of a Fortune 500 company or the head chef at a restaurant, your success depends on staying in tune with the people you interact with most frequently and intensely."

Linda Hudson, CEO of BAE Systems, got this message after becoming the first female president of General Dynamics. After her first day on the job, a dozen women in her office imitated how she tied her scarf. Hudson realized, "It really was now about me and the context of setting the tone. That was a lesson I have never forgotten—that as a leader, people are looking at you in a way that you could not have imagined in other roles." Hudson added that such scrutiny and the consequent responsibility is "something that I think about virtually every day."

To Do

Start a conversation—a stay interview. Learn about your talented employees' goals and what they love (or don't love) about their work. Don't stop with one chat. Talk (and listen!) daily, weekly, monthly. Develop a true relationship with every single person you hope to keep on your team.

- **Alas Clinics**—opportunities to talk with others about talented people who have left your team lately. Why did they go? What role (if any) did you play in their leaving? How can you prevent more unwanted turnover?

- **Think about who might be loose in the saddle** (about ready to leave you); talk with them soon, and collaborate with them to get more of what they want and need from you, from the team, from their jobs.

- **Go big picture.** Ask yourself, "What kind of work environment do I want to create?" Then figure out what you need to do to make that vision come alive. Then—go do it!

So They Go

So what? Can't you just replace them? You might be able to replace your key people, but at what cost? Most retention experts agree that replacing key talent will cost you two times their annual salaries. And replacing "platinum" workers (those with specialized skills) will run four to five times their annual salary.

Even if you can afford to replace them, will you be able to find skilled replacements?

You think 1999 was a bad time to be hiring? That year was only a footprint for what we'll see in the future. We'll be facing the worst labor

shortage in our lifetime within the next five years. —Jeff Taylor, founder, Monster

The demographers and workforce pundits disagree. Will we be short millions of workers in the coming decades or have plenty to go around? The mitigating factors to talent shortages (globalization/offshoring, technology advances, delayed retirement, immigration) are so many and so complex that some feel a crystal ball would do as good a job as the experts when it comes to projecting the answer.

What we do know is this: the labor market is changing, and in many segments there aren't enough *skilled* workers to fill the jobs open today, let alone support a growing economy. Notice what's happening in your own backyard. Do you have plenty of people, with exactly the right skills, to step in when you lose a key contributor? Or is there a current or pending talent shortage in your industry, geography, or job function?

Most of you are in charge of certain assets. You are held accountable for protecting those assets and for growing them. Today, your most critical assets are *people*, not property. Outstanding people give you and your organization a competitive advantage. Regardless of the job market, you no doubt want to hold on to your best.

Are you accountable for selecting and keeping talented people? We've heard of a CEO who charged \$30,000 to a manager's operating budget because he needlessly lost a talented person. The buck really did stop there!

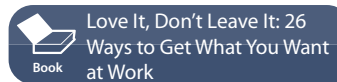
We're not suggesting that managers be punished when their people are promoted or move on to learn something new. You will inevitably lose some talented employees occasionally, especially as they pursue

their career dreams. But we do recommend that managers be held accountable for being *good managers* and for creating a retention culture where people feel motivated, cared about, and rewarded.

The retention buck really does stop with you. We are not ignoring the impact of senior management, organization policies, and individual employees' attitudes and actions. But we know you have great power to influence your talented employees' decisions about staying. Conduct stay interviews with every employee you hope to engage and keep on your team. Find out what they want and help them get it! Show that you care about them and their needs. Remember them. Notice them. Listen to them. Thank them. Love them or lose them. **TM**



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