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## Fastest ways to decimate your staff retention

While staff rarely stay with a company long-term nowadays, could your business be giving employees added impetus to seek greener pastures? Entrepreneurial expert, company director and author Alan Manly investigates.



Poor employee retention is bad news for business for a host of reasons: lost skills, higher recruitment costs, credibility problems. Furthermore, it tends to only be seen in the rear-view mirror. Things usually get worse before they get better.

Exit interviews may provide clues as to the causes, but often generate the same clichéd responses of any relationship break-up: "It's not you, it's me."

Fundamentally, poor retention stems from a few core factors. So if a mass exodus is what you're after, these are the fastest ways to get it.

### Have poor change management

Greek philosopher Heraclitus once said, "the only thing that is constant is change." Yet the challenge of managing change is as constant as change itself.

Poor change management starts at the beginning. When interviewed, were candidates advised that the company believes in continual improvement? Maybe not. Interviewers focus on selling the organisation as a great place to work. Few mention that it has demanding clients and is in a technology and customer service race with its competitors to survive.

And most employers are in such a battle; even if their representative who recruited the current staff was not made aware of this business reality.

When managers either realise this or are recruited specifically to address this issue, change becomes less a continual improvement process and more a panic to survive. An existential crisis is traumatic for incumbent staff. Fight or flight is the natural reaction.

### Ignore early warning signs

By its very definition, fight or flight is the "response to an acute threat to survival that is marked by physical changes, including nervous and endocrine changes, that prepare a human or an animal to react or to retreat". Hence, there are warning signs.

If all goes wrong, staff almost literally run for the door. Yet more subtle indicators include increased sick leave, plummeting sales, sliding productivity and falling customer satisfaction.

It could be that employees have mentally checked out and no longer strive to do their best, or structural problems causing these issues lead staff to abandon the sinking ship. Either way, the red flags have been raised.

### Trust the wrong change agents

Change agents, notes Dr Fred C Lunenburg, "can be internal, such as managers or employees who are appointed to oversee the change process".

Or they can be external consultants.

"Because these consultants are from the outside, they are not bound by the firm's culture, politics or traditions. Therefore, they are able to bring a different perspective to the situation and challenge the status quo."

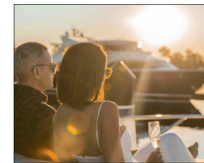
That's the good news. On the flip side, they lack understanding of the company's history, operating procedures and personnel.

Management must ensure the right change agents lead the charge. A combination of internal and external agents may be needed.

Some believe if change is existential, then a mass exodus of old staff spooked by change is a small price to pay. Operational managers witnessing corporate knowledge leave in droves rarely agree.

### Overspend on fun-loving management

Lavish perks and rewards may seem like a retention win, but there are hidden dangers.

**By Alan Manly**  
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Rewarding only some employees will isolate others, building resentment and frustration. Better to invest in human capital: a one-day training course, on something that both interests staff and is relevant to the company, delivers more long-term value than any expensive team lunch could.

Recruitment binges during the good times mean greater reliance on redundancies when the business cycle turns, demotivating those who remain. Some suggest running the place as lean as practical and saving funds for a rainy day.

## Restrict the flow of (truthful) information

No news is good news, right? Wrong! Good decisions – at any level – can't be made with only half the facts.

Sharing only positive news creates a culture of secrecy where problems go unaddressed and suspicions replace realities.

While the truth may hurt and disappoint, fibs will come back to haunt you.

Management is not necessarily a fun place: There is good news and not so good news. Respect is earned by being open, honest and realistic in communications with all stakeholders – internal as well as external.

Remember: every company's biggest asset is its credibility. If staff aren't given the tools and treatment that foster credibility, they'll look for new employment that does.

*Alan Manly OAM is the CEO of Universal Business School Sydney and author of The Unlikely Entrepreneur.*

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