

EMPLOYEE RETENTION SURVEYS — SCIENCE PLUGS THE HOLE IN THE BUCKET

When employee turnover statistics become too high in an organization, a company must expend excessive resources to replace people. In a sense, bringing new employees into a company with turnover problems is like pouring water into a leaky bucket.

In order to plug the hole in the bucket, progressive companies are examining turnover risk factors with employee retention surveys. PSP has developed a model for retention surveys and follow-up action plans that has been well-received in companies of various sizes. PSP's model for retention surveys is similar to the work of the Gallup organization, as published in the popular management book *First, Break All the Rules*.

Why Employees Stay or Leave

By examining the survey responses of more than 100,000 employees in numerous organizations, Gallup discovered common themes among the reasons employees chose to remain with a company or to leave it. The reasons employees chose to stay with a company included the following:

- ❖ I feel my job is important to the company.
- ❖ My supervisor cares about me and gives me regular feedback.
- ❖ I know my job expectations.
- ❖ My opinions count.
- ❖ I have opportunity to do my best work every day.
- ❖ My career development is encouraged.

In addition to the "stay factors," Gallup discovered seven reasons that employees leave companies:

- ❖ Lack of respect for management
- ❖ Stress or burnout on the job
- ❖ Lack of challenge
- ❖ Poor work environment
- ❖ Insensitivity to personal needs
- ❖ Poor quality of work life
- ❖ Feeling "out of the loop" on information flow

Custom-Designed Survey Questions

PSP utilizes these "leave factors" and "stay factors" to custom-design retention survey questions suitable to a company's business sector and employee base. Retention surveys are administered and analyzed by PSP as an outside, objective third party that provides employees with confidentiality in their responses. Retention survey results are compiled according to occupation, department, location, and business unit, as well as for a company as a whole.

Once survey results are compiled and reviewed with senior

management, the PSP process calls for feedback of the results to all employees. We have found that employees rarely are surprised by survey findings, and many workers actually are gratified that their concerns finally are being "heard." Management is pleased that positive findings outweigh negative results and that the survey targets specific areas for corrective action. Thus, the feedback process itself sets the stage for constructive change.



Follow-Up Action Plans

In PSP's approach, feedback of retention survey results is the first step in an effective follow-up process. In fact, follow-up is **the key** to a successful employee retention program. We counsel our customers never to do a survey unless they are prepared to deal constructively and visibly with the survey results. A company needs to address negative findings on retention risk factors, while simultaneously maintaining company support for the positive survey results.

PSP counsels companies to take corrective action steps along three time horizons. First, identify the immediate steps that can be taken to improve employee retention. We refer to these steps as "quick hits." Second, identify the corrective actions that can be taken over the next six months to reduce turnover. Third, identify corrective actions that will take longer than six months to implement, but nonetheless are worth doing.

As a company takes actions to correct retention risk factors, PSP believes it is important to remind employees that changes are being made because of employee input. This simple step helps to increase management credibility in the eyes of employees and, with the corrective actions themselves, helps to plug the hole in the leaky bucket.