ATTRITION AND TALENT MANAGEMENT IN TODAY'S ORGANIZATIONS

~ Hari Nair

Abstract

Consider any sector; name any industries, Telecom, IT, ITES / BPO, FMCG, finance, automotive, pharmacy, retail, heavy machinery, petroleum and now even the most prestigious power sector. Regardless of the industry domain you and your employer belong to, Millennium India is facing the highest employee turnover ever in the history of machine revolution. Employees are geared up to join any industry whether they have the related exposure in the past or not. The 30-35% score for ITES and Telecom, 15-20% for automotive and 5-10% now for oil and power sectors, the attrition has snatched away the sleep out of the eyes of HR managers and CEOs. HR heads and the plant managers need to take a call before they end up with all their top talent drained away by their next-door competitor

Prologue to the Issue

The phrase "Employee turnover" has become like pizza these days, a hot selling topic for every HR forum or summit, people giving all kinds of reasons and remedies, but still, employee attrition has surfaced as an incurable and costly impasse for all organizations. In today's challenging business climate, managing company's competent and skilled human capital is vital for success. This article explores the prime factors for employee attrition and some retention strategies and processes that will help drive long-term tangible business benefits. Employees are getting sensitive and thin-skinned day by day. The trigger for the decision of hopping is as basic it could ever be. Tick off your subordinate even in an apparent tone; and be ready for a vacancy posting to be done the very next day. The situation is even worse with the young generation. They start floating their CV even on bad odor in the washroom or get irate on the security guard at the main gate that asked for frisking! Yet it's factual. We have in our organisation recorded roughly 12% of left employees quoting frisking as a factor during their exit interviews.

Key employees DON'T leave for their bosses, neither for money

To counterfeit attrition, most companies usually turn to increasing the compensation for employees to retain them and become the best paymasters. Even the big paymasters fail to understand that higher salaries can only "delay" the attrition. And then there has been a catchphrase that employees leave because of their bosses. Surfaced in one of our meetings

with the well-known **Mr. S Y Siddique of MUL**, most KEY employees seek opportunities that allow them to use and develop their skills, and together with their educational knowledge, yearn for converting them into competencies. Leaving employees want more meaning in their work meaning challenging the challenges. They often indicate that they want to use their qualities and skills in challenging teamwork led by capable leaders.

Managerial staff cites "career growth" and "leadership" as the major factors that influence attrition and retention, together with "opportunities for management" "ability of top management" "use of skills and abilities" and "work / family balance". Professional employees are concerned about "supervisory coaching and counseling," "company direction" and "interesting work". Clerical employee's voice concerns such as "type of work," "use of skills and abilities" and "opportunity to learn". Hourly employees notice whether they are treated with respect, their "management ability" and "interesting work"

## *Exit Interview responses of Sona Koyo*

The Exit Interviews for key performers of the organization were analysed through language processing tools. The results are classified as follows

Overall, job dissatisfaction levels are high at all facilities, in all job classifications and among both new and lateral recruits.

Employees between 2 to 5 years of service and more than 10 years of service have higher dissatisfaction levels than those with less than 2 years of service.

Exit Interview Responses (F-07)

(%) Dis-satisfied Employees

Management Policies	Job Role	Compensation	Boss	Career Growth	Working Conditions	Work Timings	Communication
36.4	27.3	27.3	18.2	9.1	9.1	9.1	9.1

Issues

Pay, work schedule, mandatory overtime, designation levels, opportunities for advancement, and benefits were most frequently cited as issues the key performer's wanted to change about their jobs.
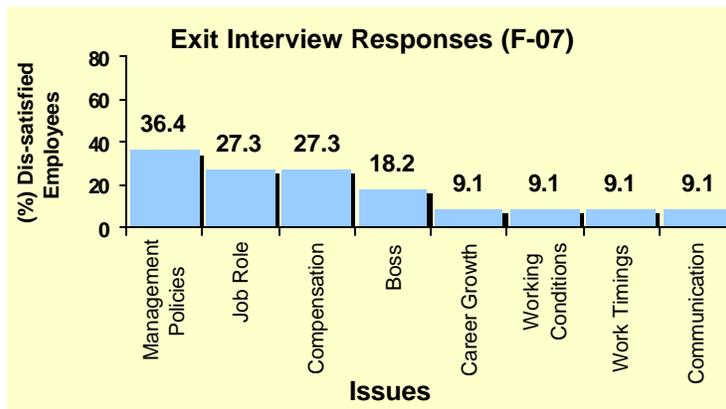
When asked what incentives motivated them, pay and benefits was not frequently cited but majority of the respondents said that the liking for their work and the interest. Respondents also frequently cited communication as a significant factor. Many key employees expressed a desire for more two-way flow of information and a voice in decision-making. They wanted a forum for sharing their ideas for system improvement. Some expressed the perception that inmates have a voice in the system but the staff does not, and expressed a desire to see administrative staff make a visit the facilities during second and third shifts. Perceived lack of recognition was also cited as a contributor to low job satisfaction. Some respondents described a climate where bad performance was recognized but good performance was not. Several employees expressed a sense that their work is not valued,

nor is it considered a skilled role. Other workplace climate issues that were often cited as contributing to poor performance were lack of teamwork, back biting and favoritism. The phrase "good old boy system" came up in several narrative responses. Though job dissatisfaction seems to be the norm, there was considerable variability among facilities in terms of the issues that were cited as contributing to job dissatisfaction, especially compensation.

Challenge the challenges: Mentoring for Talent Management

The Mentor plays a very vital role of handholding in the initial stages of an enterprise. He is the guardian angel to whom an entrepreneur can turn when in distress. The Mentor provides business guidance and shares his experience and skills with the entrepreneur. The Mentor and the Mentee have to mutually agree on the time the Mentor will spend with the Mentee. This can vary from several hours a week to several days in a month. The Mentor may have one or more Mentees in a cluster of industries depending on the nature of support needed. Mentor-Mentee relationship is generally a long-term association.

Ownership culture for Talent Management: Pride in the company

Developing an efficient ownership culture is so vital for any organization. It could be a utopian vision of an organization where employees work with the passion of an entrepreneur, where they feel that they own the organisation, are self-motivated and have a great sense of pride in belonging to the company. Developing such a culture at the workplace is a tough task for an employer and for HR team, but it is the only way to ensure employee loyalty, and bridge the gap between employer and employee. If nurtured, this feeling not only optimizes productivity and excellence beyond expectations, but also helps in combating attrition. While most organizations do make assiduous efforts to inculcate a feeling among employees, the task is made more difficult due to the highly fluid situation of the recruitment market and the constantly changing loyalties. Interestingly, the ratio of ownership differs from person to person at different positions within the organisation. While it is the top management, which should forefront the effort by clearly communicating the organizational vision and the responsibility of each individual, it is the immediate boss who is directly responsible for grooming the sense of ownership among his or her team members. The need to create this culture is essential for every company. It also reduces problems of employee alienation and attrition. Employees are more attached to an organisation, which helps in better organizational management. Work performance improves and growth in job satisfaction is seen at all levels. Furthermore, employees are more open to put forth their ideas and talents. A strong organizational culture enforces the fundamental law of entrepreneurs that 'what is good for the business is good for me.

Put Talent Management practices to be "Employer of Choice"

The change initiatives to craft your organization into a Preferred Employer instigate with administrator deeds and actions. It is significant for managers to exhibit the exact attitudes and behaviors to construct elevated levels of employee engagements. So called Employer of Choice upshot from an ambiance of conviction, where the attitudes and actions of management hold up employee self-sufficiency and cooperation. In a workplace with high

level of trust, there is transparency and team zeal, the employees are prolific, the processes are more pioneering, customers are more contented – and the conclusion is more returns on investment.

Robust Performance Reward System for Key Performers

Broadly speaking, a dynamic Performance Management System is to ensure the following:

Assess employee's performance against the focus area's set in their performance agreement for the appraisal year and improves their proficiency. Provide an opportunity to the employees to express their views or to seek further clarification on their performance. Identify potential of employees and to develop them for future roles. Train the people to develop their skills, knowledge and experience to perform their jobs well. Reward them appropriately. Generate data for career planning and succession planning

What Sona does for Talent Management

1. ***Offer Compensation – Attractive & Competitive***: Fair compensation alone does not guarantee employee loyalty, but offering below-market salaries makes it much more likely that employees will look for greener pastures. Let employees decide their own compensation package / reimbursements once the quantum is fixed. Use Industry Surveys and other data tools to stay informed on wage trends

2. ***Benefits need to be quantified and qualitative***. Although benefits are not a key reason why employees stick with a company, the benefits you offer can't be markedly worse than those offered by your competitors and like minded industries.

3. ***Train your front-line, managers and administrators***. It can't be said repeatedly that people stay or leave because of their bosses and not the companies. Make sure your managers aren't driving technologists away. Harp upon the competencies and substantially invest in human capital irrespective of ROI.

4. ***Roles and responsibilities need to be dovetailed***. Make sure your employees know what is expected of them every day, every month and every year, what types of decisions they are allowed to make on their own, and to whom they are supposed to report.

5. ***Enhancement, advancement and progression opportunities***. Clear professional development plan gives employees an incentive to stick around. Do away with you Performance Management System if it has turned to NOVA (Non Value Added Activity) and go in for instant performance rewards.

6. ***Retention strategies implementation needs to have a process owner***: If customer returns, in-house rejections and non-confirming products can have a process owner as a countermeasure why not a process owner for implementation of retention strategies? Think better, think bigger, think brighter, think broader, think bolder, think positive and set higher audacious goals.

7. ***Employee engagement practices***: Ask employees what they want more of and what they want less of – Capture Voice of Employees. Value addition in terms of ASKPT

(Attitude, Skills, Knowledge, Practices, and Trust) has to be the end product. Stay Interviews and its implementation, call back your employees and ensure ombudsmen concept.

8. *Cross-functional teams*:   It takes effort to build an effective team, but the result is greater productivity, better use of resources, improved customer service and increased morale. Give great emphasis on cross-functional approach as it endorses acceptance and accountability.

9. *Fun is must*. Celebrate successes and recognize when milestones are reached. Buffet lunches, birthday parties, employee picnics and creative contests will help remind people why an organization is a great place to work.

10. *Mission statement for each functional area*. Everyone wants to feel that they are working toward a meaningful, worthwhile goal. Work with your human capital to develop a departmental mission statement aligned with company's vision, Make sure employees understand how their contribution is important.

11. *Assignments for job enrichment*: Employees today want more than just a job. They want to contribute to the big picture and help the company sustain it through the tough times. Provide challenging and meaningful work assignments that stimulate them. When employees feel bored, their motivation declines and they lose focus on how their work fits into the big picture. Delegate meaningful work whenever possible so employees can learn something new and feel challenged. Additionally, provide regular development and learning opportunities.

12. *To keep morale high, coach and facilitate every day.* The "I tell-you do" method of management simply does not work for motivating and retaining people. Instead, become a coach to your people and encourage them to try things their own way. Allow for mistakes to happen, as mistakes are often our greatest learning opportunities. Most people are grateful for constructive feedback. It shows that you're paying attention to their progress

About the Author

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