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Securing Your Most Important Resources A Guide to Employee Retention By Audie McCarthy

For those of you that were in attendance at the launch of the HR Matters Business Plan on June 18, you will know that one of our challenges going forward in Hamilton is to “secure high quality resources for individual organizations”. “To secure” means not only “to acquire” but to “fix or attach firmly”. (Microsoft Encarta Dictionary, 2002). In this article, I will focus on the latter definition, that of fixing or firmly attaching employees to their organizations, in other words, **employee retention**.

First, let’s examine why employers need to worry about employee retention. Here are some reasons:

- Cost of Turnover – this includes the cost of recruitment, training and lost productivity.
- Customer Service – a constant flow of new employees can have a negative impact on customer service as employees struggle to learn new products and processes.
- Customer Loyalty – many customers are loyal to the people who serve them and not necessarily to the company so when employees leave, customers often follow them to their new place of business.
- Management Time – time is spent on hiring, orientation and training instead of on business planning and growth

Now, let’s look at why employers don’t always seem to be concerned with employee retention. Some of these reasons are:

- Awareness – or, better put, lack of awareness – employers may not be aware of how much employee turnover is impacting their business
- Time Management – managers are too often “fire fighters” and never seem to get to things like ensuring employees will stay
- Inexperience – managers may know employees are thinking of leaving but are uneducated or lack confidence when it comes to preventing their employees from leaving

What can **you** do to secure your most important resources?

1. Calculate your rate of employee turnover - know where you are at in terms of how many people are leaving your organization. This is critical in stopping the outward flow.
2. Do Exit Interviews - find out **why** people are leaving – don’t make assumptions.
3. Calculate the cost of your employee turnover. It is part of recognizing the impact on your bottom line.
4. Put Retention Strategies into place

In future articles, I will address each of these steps. If you can’t wait until then, I welcome you to contact me with your specific questions.