

## Employee retention requires more than good benefits

By LEIGH BRANHAM  
Guest Columnist

You can hardly open a newspaper these days without reading about some company's attempt to win the war for talent by offering more creative and family-friendly benefits to their workers.

Many Kansas City companies have launched benefit-based talent acquisition and retention strategies, such as hiring concierges to run personal errands, subsidizing child care, providing on-site dry cleaning, adopting casual dress policies, offering massages and giving out free take-home meals. Such perquisites can demonstrate that your employer wants to make your life at work more livable.

Yet all the media focus on designing new perks and benefits may have an unintended and unfortunate consequence — it may send a message to front-line managers that the solutions to employee turnover lie outside the everyday fundamentals of good people management.

For years research has shown the factors that create the highest degree of worker commitment and satisfaction are job challenge,



Branham

### COMMENTARY

recognition, and the relationship with one's manager. Exit interviews repeatedly surface some variation on the theme "my boss was a jerk" among the top three reasons people leave their companies. One recent study showed that 50 percent of work-life satisfaction is determined by the relationship a worker has with his or her immediate supervisor.

Yet most managers think differently — one study found that 89 percent of all managers believe that employee retention is mainly about paying employees more. As one restaurant manager exasperatedly commented to me about his turnover problems, "All you can do is throw money at it!" This prevailing belief has helped fuel spiraling wage wars and unprecedented signing bonuses that work in the short run, but destroy all semblance of internal equity.

Authentic "employers of choice" know that providing good pay and worker-friendly benefits is only one leg of the four-legged foundation for employee retention. The other three — selecting the right person in the first place, getting new hires off to a great start, and coaching and rewarding to sustain commitment — are the manager's responsibility, with assistance from human resources and senior

management.

The best companies to work for build cultures of mutual commitment, then hold managers accountable for retaining their people.

Hewlett-Packard does not hesitate to terminate managers who drive away key employees. General Electric's chairman, Jack Welch, has stated that the company "is quite willing to toss out" managers who don't take seriously the softer people management side of their responsibilities. Federal Express has launched a program called LEAP — Leadership Evaluation and Awareness Process — a two-day orientation program for aspiring managers that includes a class called "Is Management for Me?" After attending this class, 20 percent of all management applicants drop out of the LEAP program and pursue other aspirations.

Exit interviews can also help companies establish a "bad manager identification program." Many retention-focused companies have begun the practice of providing 360-degree feedback to managers as a performance evaluation or developmental coaching tool.

Entex Information Services not only retrained its 500 managers in people management skills, they also made 20 percent of every manager's bonus contingent on whether he or she overachieved in one of two key areas — maintain-

ing low employee turnover within a given market or department, or improving retention in an area with previously high turnover. This got the managers' attention, and was the main factor in the company achieving \$3 million savings in turnover-related costs within one year.

People don't just leave companies — they leave managers. Still, like parents who fail to spend quality time with their children, then shower them with expensive gifts, it will always be easier to throw money and new benefits at the problem.

The "soft and squishy" business of getting the right people into managerial roles and teaching them the lost art of managing talent will always demand more commitment. That is why fewer companies will take that route. But those who do will be well on their way to becoming true employers of choice.

*Leigh Branham is vice president, consulting services for Right Management Consultants and leader of the firm's talent management practice for the Heartland Region. He is the author of Keeping the People Who Keep You in Business: 24 Ways to Hold on to the People You Can't Afford to Lose, which will be published in October 2000, by the American Management Association (AMACOM Books).*

For more information, contact:  
**Keeping the People, Inc.**  
13488 West 126th Terrace  
Overland Park, Kansas 66213  
(913) 620-4645

E-mail Leigh Branham at [LB@keepingthepeople.com](mailto:LB@keepingthepeople.com)  
or visit our website at [www.keepingthepeople.com](http://www.keepingthepeople.com)