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embracing a new approach to regain staffing stability

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Today's New Staffing Reality

We used to throw around the term "workforce crisis" because we thought times were tough before the pandemic. We had no idea how bad it could, and would, actually get.

Many organizations are experiencing significantly more turnover than their pre-pandemic levels (some saying that most is happening in just the first 90 days). As workforce experts who have focused solely on retention for the last decade, we'd like to take a different view regarding the potential solutions moving forward beyond just "finding more or better people."

At this time, it is now appropriate to acknowledge that much of organizations' current workforce turnover is not expected to go away…ever.

Let's take inventory on your current competitive situation. Is your profession as sexy as other professions? Can your wages truly compete with organizations who can more easily pass the added labor costs onto their customers? Are many of your positions lower-paid, lower-skilled roles that any new hire could learn in a short period? Have you relied in the past (or still) on workers being “called to serve” in their roles or made other excuses about your business model to explain why you have paid so little to staff in past decades?

Once you answer these questions, it should become clearer about your organization’s realistic level of attraction, from an employee’s perspective, as compared to companies around you.

Our New "Untethered" Competition

After speaking at a national conference about creating a place where people truly want to work, the biggest takeaway from the retention-focused session for many was the enlightenment of knowing our newly expanded competition, which has dramatically changed over the past ten years, and more expeditiously in the last few years.

Leaders complain that staff no longer follow the traditional unwritten expectation of giving a two-week notice. Managers share how astonished they are that staff do not have another job lined up before they quit. **But there's a game-changer in the market now – untethered (or gig) jobs that allow people to work when they want, where they want.**

Not only are Lyft, Uber, DoorDash, and other driving services always hiring and offering choose-your-own work hours, now leading retailer Target has joined the party. Target knows it will no longer have enough workers to fill all its vacancies, particularly around holidays, so they created a new job opening for Target On-Demand Team Members (ODTM). This opportunity allows interested candidates the chance to get hired and then only work when they want to work. They can choose to pick up shifts through the company app at their convenience with no set schedule in advance! We're also seeing this approach in various other markets such as healthcare, which now has several apps that allow approved nurses and aides to pick up random shifts at random locations. Letting them work when and where they want.

Think this only applies to young "job-hopper" employees interested in living in the "gig" economy? Nope! Some retirees love this flexibility so they can spend time with grandkids when asked to babysit. Full-time workers seeking second jobs love this option because they can determine which evening or weekend hours they are available just 24 hours in advance of a shift they take, instead of having to know their availability weeks in advance when regular scheduling is finalized.

Our Plan Moving Forward

In recent years, the competitive market has changed drastically for finding and keeping talent, and the participating labor force has declined significantly, which means most organizations will continue to struggle to find enough candidates to fill open roles indefinitely. What does that mean? **It's time to operationalize our employee turnover. Plan for the churn. Budget for the churn. Staff appropriately for churn. It's not going away.**

Does this mean turnover will plateau at its highest level ever? No. But our recommendation to organizational leaders is to begin planning for a more realistic level of annual turnover (forever), likely higher than you'd prefer, and determine a way to adjust the current business model to remain sustainable long term.

The right calculation may come from taking your highest turnover during the workforce crisis and cutting that number in half as your new forever turnover rate. Or it could be what your highest level of turnover was prior to the pandemic. Talk with your leaders at every level about what they believe is realistic to achieve and discuss those scenarios. However, do not be too optimistic with your projections. Expect competition to remain fierce. Expect options to remain available for staff to go elsewhere when they want to make a change. And if you're only budgeting 2-3% for annual cost-of-living adjustments (COLA), which is not a true raise by the way, then expect other companies will be paying more for that same talent. With those parameters, what would a realistic forever turnover rate be?

Once you have that new expectation in the books, and literally in your P&L, we still have much work to do to get down to that lower turnover rate. The following executive and management strategies are proven to get organizational cultures and leaders where they need to be to create a place where people want to work.

Executive Strategies

Owners and senior leaders must think differently now and disregard previously successful strategies if they are no longer working. The new workforce, new labor market, and new technologies are game changers.

And before we share the strategies currently working, we'll proactively address the, "good ideas, but where's the money going to come from," rebuttal. Most organizations we work with are currently spending hundreds of thousands of dollars on excessive turnover in overtime, temp agency use, and replacement of burned-out key leaders. Most of that shows up on the P&L in some fashion and it's time to shift those dollars to more proactive, sustainable solutions such as adjustments and additions in *proper* staffing.

Yes, the following strategies and necessary pay increases for staff will also mean taking a financial hit against the healthier profit margins we enjoyed in previous decades. But if your historical approach is no longer sustainable in the new labor market, how do you propose getting staffing stability through cost cutting now?

1. **Designate true owners of retention initiatives.**

Let's get real. When retention is everyone's responsibility, no one actually owns the tasks and metrics associated with reducing turnover. Organizations are finding success when they hire or promote from within a dedicated part-time or full-time Retention Specialist.

This person drives the workforce retention conversations and leads initiatives for managing the inevitable churn to not only determine ways to reduce it, but also operationalize and plan for the new forever turnover rate. This person is given the time to genuinely check in with new hires to learn why they stay, hear why they consider leaving, and mentor them into a longer career with the organization. They lead longer-term retention-focused projects as well as support managers at all levels given them the necessary development resources to become more magnetic bosses the staff love.

Not sure what that role looks like? A sample downloadable job description is available at www.MagnetVault.com.

2. Stop making managers hire their own people.

Managers have been asked to "do more with less" for far too long and we made their roles extremely lean prior to 2020, expecting full productivity of their own responsibilities 40 plus hours each week out of each leader, in addition to expecting them to lead others effectively. Over time, that left them with zero cushion for hard times, as we've recently experienced.

Managers have always been involved with hiring new team members, which is appropriate, but we've been appalled how many managers have been expected to do it all (i.e. post their department's jobs, schedule interviews, meet with candidates, onboard new hires, and more). Those responsibilities have piled up even more due to the number of vacancies to fill skyrocketing. Where do executives think these magical available hours of four times as many jobs to fill is coming from?

It is no longer a sustainable approach to ask managers to continue their expanded hiring responsibilities at that volume and still meet their departmental requirements. It's a necessity to boost the organization's recruiting capacity with a part-time or full-time manager of recruiting and onboarding at each location to allow the managers to be managers again. (Combining this role with the Retention Specialist position is a great strategy too!)

3. Hire Ahead of Your Needs

While at times it can be impossible to find enough candidates to fill vacancies, when that settles, organizations should continue to hire ahead of each department's needs.

If we expect continuous churn, why do we wait until people leave to search for their replacement? That approach may be appropriate for a one-person department, but if we predict a department of 40 staff is likely to have no less than 30% turnover moving forward, we should continuously recruit for those 12 positions throughout the year, even if we fill all the positions. Why? Because we know someone is going to quit in the near future, which will leave the team understaffed again. Team members are tired of that approach from senior leaders. They want bench strength to call up to play when they are short. They know it takes weeks, at a minimum, to get a new hire up to full independent productivity, which means they need new folks coming into most departments to learn before others leave.

If organizations refuse to reincorporate a staffing cushion, they will continue to lose great talent who remain frustrated over the constant lack of appropriate, well-trained staff.

4. Automate what you can

Years ago, I heard a business expert say, "no matter what industry you've been in, you're now in the technology business," explaining that every type of company will need to innovate using new technology to remain viable in future decades.

And there once was a fear that "robots would eliminate jobs," but now we need robots and automation to supplement our shrinking labor force. Now the question is, which automation has the greatest ROI, as it is both costly and time-intensive to implement new systems.

If your organization is struggling to fill vacant roles, do you have a leader dedicated to vetting, pricing, comparing, and implementing new technology that can offer greater efficiencies? Has your leadership team reconsidered innovations that could not produce a solid ROI a few years back, but that may be of greater value now if it can reduce the organization's reliance on human manpower?

5. Train Your Managers

Many companies cut training and development for managers due to a lack of budget and/or lack of time available. This has now come back to haunt those employers because they have hired and promoted people into leadership positions without given them the tools to be successful leading today's new workforce.

In order to both lower current turnover rates and create a place where people want to work, managers at every level must continue to learn and evolve with the workforce.

Are there sufficient dollars budgeted and invested in your managers so your organization can solidify the culture you want to tout? Are there sufficient hours built into managers' job descriptions so they can develop themselves and their team within their work week? Or is development an afterthought without the appropriate dollars or time allocated to get your organization where it needs to be?

Management Strategies

Not in a position to add new roles, adjust staff pay, incorporate new technology, or change company policies? You can still be a part of the retention solution and work to operationalize turnover for your team with strategies within your control. Keep in mind, management effectiveness is the primary reason people decide to stay or leave so you have more influence than you know. Now it's simply time to build in more efficiency for yourself and ensure you stay connected to your people and their current reality.

1. Create reusable onboarding checklists.

It's time to create and/or update your detailed onboarding checklists at the departmental and specific role levels to cover what each new hire needs to know by the end of day one, week one, month one, and quarter one.

Remember, effective onboarding isn't complete within a week or two, and just because a new hire was told or shown something their first week does not mean they absorbed it or can run with it. Make the checklists accessible to all the managers and new hires on your team so they can communicate effectively about where the new hire's develop level currently stands and what needs to be learned by when.

This also helps reduce the number of new hires who get overwhelmed and ultimately quit due to the outdated "sink-or-swim" onboarding model. That approach no longer works with today's new workforce who expect a training plan and proper mentoring.

2. Fool-proof your new hires.

While you may feel you already have enough documentation to address all the regulations or requirements your team must follow, I assure you, new hires are still confused. Not every task has been fool-proofed and there are lots of procedural steps to remember. Once you have the basic onboarding checklists full of what new hires need to know/learn, it's time to fool-proof some of your processes so less mistakes will be made.

Consider how McDonald's used to wait for new hires to memorize the menu before putting them at the register. Now, they fool-proofed the register to walk each new hire through the ordering process to get it right every time. When a customer orders nuggets, for example, the worker must ask which sauce they prefer.

We no longer have the luxury of waiting for staff to memorize procedures in our worlds either, so what processes could you similarly fool-proof? Where do you need to post step-by-step instructions for new hires to easily access in order to reduce mistakes, miscommunication, and lost time?

3. Put Yourself in Their Shoes

For managers, what is on fire gets their attention, which is understandable. But while managers are doing the absolute best they can to stay afloat in this chaotic situation, staff continue to leave because they don't feel managers truly care about them. We know managers care; many simply don't have time to show it.

At this moment, staff at every level are overloaded, overwhelmed, overburdened, and over everything, so now's a good time to stop and take a look at the situation from their perspective.

If you have any, review your company's employee survey data. Take it seriously. But don't rely on data that are only collected annually. It is critical to also check in regularly with staff and keep a current gauge of how they feel about their current situation.

To make this easy, it's your turn to take a quick Retention Audit. Consider whether your team members would agree or disagree with the following ten statements right now. Not three months ago, but right now. Go!

Quick Retention Audit

How would STAFF score the following based on a **1 (Disagree)** to **5 (Agree)** scale right now?

____1. Our staff feel their managers are effectively communicating.

____2. Our staff feel our onboarding is effective.

____3. Our staff trust one another.

____4. Our staff feel their workloads are manageable.

____5. Our staff feel our managers listen to their team members.

____ 6. Our staff feel they are given flexibility with their schedules.

____ 7. Our staff feel their compensation is appropriate for their current role and responsibilities.

____ 8. Our staff feel their managers are adequately trained for their current leadership roles.

____ 9. Our staff feel advancement opportunities within the organization are accessible within a reasonable time frame.

____ 10. Our staff feel the organization's technology (hardware & software) is sufficient for their needs.

Total Score: ______

How'd You Score?

Anything stand out as why new hires and/or seasoned staff may be walking away?

Depending upon your role within the organization, some of these areas of the business are within your control and some are not. Executives must reassess compensation and technology, for example, while managers must work to understand and mitigate day-to-day frustrations. Don't point fingers, just do what you can do.

What's your total score from the ten questions?

If you scored mostly 4s and 5s, totaling 40 or more, you're in a very good place compared to others. Or you may be an uber optimist who only sees the good from your seat and it may be time to talk to your people to hear how they are truly feeling.

If you scored a more realistic combination of scores totally 39 or lower, at this point, you can either choose to work toward making the lowest 1-2 scores stronger, or you could try raising the middle scores higher if the low ones are out of reach at the moment. You can't do it all at once, so now is the time to prioritize.

Quickly think about two items within your control that could be improved with minimal effort? Those are now your small-step priorities that can make a big difference with a little effort. And you likely already know how to fix them; they simply haven't been given the attention they need.

Regular assessment like this quick audit, also available to share at retentionaudit.com, is an essential part of operationalizing turnover because our workforce will continue to evolve and leaders must stay connected to their people to successfully retain talent.

Escaping the Cycle

Managers have been dealt hit after hit and have lost nearly all stability in their personal and professional lives. **Any light at the end of the tunnel at this point is now deemed a mirage.**

In light of the continued chaos around us, our new goal as leaders should be to minimize the scrambling within our organizations. We must determine ways to gain staffing stability, slowly over time, by planning and budgeting for what's ahead instead of remaining several steps behind.

It's time to give our managers their jobs back by pruning what we can off their plates and working toward more realistic and sustainable workloads for all. If we focus on that, plus the strategies in this guide, we won't get back to exactly where we were, but will support our organizations and its leaders to stop scrambling.

What's your plan? Are you going to keep expecting operations to someday get back to "normal" or are you ready to operationalize realistic turnover for greater sustainability?

About the Author

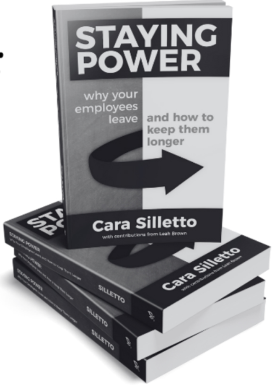
Workforce thought leader Cara Silletto, MBA, CSP, and her team at Magnet Culture are keynote speakers, authors, and workforce consultants. They work with clients across the country to reduce employee turnover by bridging generational gaps and making managers more effective in their roles.

Workforce Magazine in Chicago named Cara a "Game Changer" and Recruiter.com included her in their "Top 10 Company Culture Experts to Watch."

Contact solutions@magnetculture.com to book your next event or to determine whether what they do to reduce employee turnover for other organizations could work for your organization. Visit WeReduceTurnover.com for more information, resources, and sample videos.

What's Next?

If you found this message helpful, it's time to order Cara's book:



Staying Power:

Why Your Employees Leave and How to Keep Them Longer

Then...

Contact us to determine whether what we do for other organizations to reduce unnecessary employee turnover and its excessive costs could work for your company.

Are you beyond frustrated employee turnover is devastating your bottom line? Let me guess...

- Current operations aren't sustainable with high turnover
- Managers continue scrambling to fill shifts
- There's no time to address the turnover problem

We used to throw around the term "workforce crisis" because we thought times were tough before the pandemic. We had no idea how bad it could get. It's time to face the facts and plan for the inevitable employee churn we cannot eliminate. Operationalizing turnover allows organizations to take control and make realistic retention goals moving forward.

Magnet Culture is a leadership development company dedicated to reducing unnecessary employee turnover.

In this time of intense competition for talent, Cara provided wonderful insight to our leadership team on the macro elements impacting the labor market, especially generational changes, as well as specific recommendations to address changing workforce expectations and needs.

- Mike Allard, CEO of Principal Senior Living Group

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