

workforce wake-up call

how many must leave before
retention becomes a true priority?

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Magnet Culture



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The Blame Game

Everyone has a different perspective on today's massive employee turnover challenges, depending on their seat in the organization.

Executives now see how much excessive turnover is costing the company and often direct HR to "hire better people." Senior leaders believe this tactic will address the increasing recruiting and onboarding costs, as well as bring down the staggering uses of overtime and temp agencies that have been hurtling their budgets off target.

Those HR leaders throw their hands up when retention initiatives are put on their plates. They are swamped filling vacant shifts, screening and interviewing countless candidates, and dealing with increased FMLA changes and abuse, all while still handling the petty drama that increasingly frustrated managers and stressed staff bring them daily. HR professionals know that adding to their overburdened workloads isn't the solution that will lead to staffing stability. Besides, they know the real problem isn't HR; it's the managers

who keep pushing away the good people HR recruited for them.

At that point, the managers defend themselves explaining that the organizational leaders haven't given them the time in their schedules, nor the proper training needed to be successful in their roles. They already have a 40-hour (or more) workload themselves and are then expected to manage an ever-increasing group of diverse, entitled workers who need more handholding than ever and who can't take criticism without quitting. (Get our guide to The Millennial Mindset at WeReduceTurnover.com, if you haven't read it yet!)

Does this finger-pointing, no-win situation sound familiar?

It is time to ***stop*** the blame game, quit pointing fingers, and own it! Let's fix this nightmare scenario so everyone can sleep better at night!

Whether you're a senior leader, an HR professional, or a manager in charge of others, it's time to ***take ownership*** of retention. Each person has a part to play in the struggle for staffing stability. If the goal is a sustainable

workforce, an organization will have to work together to obtain it! The future of the organization depends on it.

Let this guide serve as a wake-up call to the entire leadership team who needs to consider critical changes to ultimately reach the organizational goal: to be a place where people *want* to work!

The Case for Change

Turnover impacts productivity, profitability, culture, and quality.

Turnover is costly. It requires time and money to replace employees, not to mention the toll it takes on the overall culture of the organization over time.

For lower-wage workers, estimates show a \$5,000 to \$10,000 loss when they walk out the door, and the cost of losing skilled workers is much higher. ***A conservative calculation at just \$5,000 to replace each employee, a company with 500 employees and a 40% turnover rate is spending about \$1 million on turnover every year.*** Not to mention the indirect costs of turnover with the decrease in productivity in the gap between when a person leaves and when a new hire is fully trained. Whether the organization is a healthcare organization, a service provider, or a manufacturer, a certain level of productivity is required to provide the greatest quality care, quality services, or quality products. Along with all

these impacts, turnover also costs companies their desired culture. The revolving door of turnover has a damaging impact on overall morale of employees. It can send an organization into a death spiral if those training new hires become disgruntled and give up because “they won’t be here next week, why bother.”

CEOs come to us to answer the million-dollar question: “How do we keep the good ones longer?”

Today, all leaders must be ready to make the necessary changes to get the ultimate retention results: greater productivity, improved cultures, and higher profitability.

Future Workforce Projections

Will turnover get better or worse in the coming years?

Employee turnover was a tremendous challenge before 2020, but now overtime, labor costs, and growing workloads tempt employees more than ever to think the grass might be greener with a different employer or career. The pandemic also reduced the participating labor force dramatically as millions of women left the workforce to care for children at home and many seasoned Boomers retired early.

Rather than recovering, staffing challenges continue to mount.

Visualize what your organization will look like if you do nothing differently? Or conversely, what would it look like if you could lower turnover right now by just 10%? What if you could keep people longer so as not to have to replace quite so many? What if you didn't have to onboard, train, and mentor dozens at a

time? What would that look like? What **could** that look like?

In many cases, that relief would mean you could address and resolve so many other issues and priorities. It would reduce the team's daily stress of constantly trying to fill these roles and covering the responsibilities caused by vacant positions. It would reduce excessive costs as well. Your organization would then see productivity and quality increase. So, what must leaders do to get there?

Managers who manage effectively are today's critical missing link.

Director, manager, supervisor, lead — whatever the title, those who manage others have the most influence on whether an employee stays or goes. Leaders set the tone for the team and can often buffer or resolve other issues such as scheduling, training, cross-communication, team drama, etc. As the saying goes, “people don’t quit jobs; they quit bosses.” And those with the **most** direct reports, have the greatest impact on the or-

ganizational culture since the way people are treated in their roles is the true reflection of an organization's culture — not core values posters hanging on the wall.

Knowing this, organizations that focus on improving manager effectiveness at every level will yield the greatest change and ROI. If managers are equipped to *actually* manage by getting to know their people better and heading off issues *before* they arise, turnover will decrease.

The Key to Slowing the Revolving Door

Let managers be managers again!

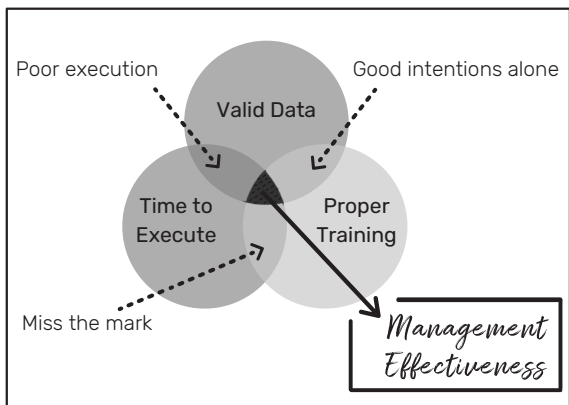
After years of helping clients retain employees, we've found that while everyone has a role in decreasing turnover, manager effectiveness is the key. But why aren't managers effective? Think about everything your managers have to deal with right now? They have so many things coming at them from every which direction — from meetings, to emails, to “my team needs something,” to “we have open positions I'm supposed to be interviewing for, hiring, then I have to onboard those folks.” Not to mention the full-time job of productive tasks they're supposed to be completing.

For years, the business world has been under an organizational goal to “do more with less.” At this point, it's officially backfired as companies have become too lean and tight with time and responsibilities. Experts encouraged to flatten the hierarchy years ago,

but now there is no longer time for managers to manage as those leaders are constantly fighting fires and taking on the responsibilities from the talent that has walked out the door. The much-needed breathing room was eliminated and now companies are paying the price for an unsustainable approach. Those “streamlining” business mantras ***sounded*** good, and may have supported short-term goals and productivity, but they ultimately created the negative long-term effects companies are feeling now.

So, What Must Leaders Do?

We have found managers must have three things from the organization to be effective: valid data, proper training, and time to manage. What happens if any one of them is missing? It's like the 3-legged stool and with only two legs, it will all come crashing down.



Consider these scenarios with only two of the three supports:

1. **Data + Training + Time:** Managers who have completed the proper training and have the time to lead but have not gathered valid data are making decisions based on assumptions. That's where leaders *miss the mark* and waste a lot of time, money, and resources with blanket approaches that aren't what our people really want. We've seen several organizations implement company-wide recognition programs because they assumed people wanted more appreciation, but that approach often fails because it is too generic. Most staff simply want their *bosses* to appreciate their effort personally, not earn badges on a leaderboard. Recognition software can be effective, but if it's not what the workforce ultimately needs, it won't solve the problem.
2. **Data + Training + Time:** If managers have collected valid data about their people and are given time to execute retention strategies with team members, but aren't given adequate training, they will fall flat time and time again due to *poor execu-*

tion. Those leaders are flying blind without the tools to be successful. Many have not been properly trained to understand themselves or today's new workforce, and their traditional communication and supervisory approach from the late 1900s isn't working today. Insightful assessments and tactical training build the necessary competencies managers must obtain to become better bosses.

3. **Data + Training + Time:** And if we look at a manager who has good information about their team, truly knows their people, has validated all their assumptions, and has been properly trained on leading others, but has no time to execute what they know is needed (giving effective feedback, appreciating contributions, mentoring, being accessible for their team when needed, etc.), that will result in ***good intentions alone***. They want (and know they need) to talk to their people more often. They want to work on team building and trust, but they're so overwhelmed they can never get there, so they look like bad managers who

have no time or regard for their people.

Organizations must give managers all three — valid data, proper training, and time to manage - if they want to keep employees longer.

1. Gather valid data

Many leaders go to the gas station, put their credit card in the pump, and fill up their tanks, without too much worry or pain regarding the price of gas. I grumble a bit if it's getting high, but I still fill up my tank. At the same time, many lower-wage front-line workers don't have that luxury. They go into the store and pre-pay for a certain dollar amount of gas that's allocated for that week. That means, as gas prices increase, they either get less gas or have to sacrifice financially elsewhere — groceries, paying bills on time, etc.

Leaders need to put first things first and gather proper data by spending time getting to know our people. They need to get valid data and stop operating on assumptions or thinking about what they would want if they were in their shoes.

Think about what keeps you up at night. Is it turnover stress, excessive overtime, budget cuts, or family issues at home? Now think about what keeps your employees up at night. For the front-line staff, their stressors are often

bills, childcare, and transportation concerns. Is there something your organization can do to address those? Do your managers at every level know their people? Do they really understand their daily struggles of their current employees?

Here are some of the ways organizations are working to gather valid data:

- Hiring a Retention Specialist to determine why people stay or go
- Implementing a diverse Retention Task Force
- Conducting pulse surveys to gather staff insights throughout the year
- Implementing stay interviews to learn what employees like and loathe at work

Need more resources? At MagnetVault.com we have a sample job description for the Retention Specialist role and a Stay Interview implementation guide with sample questions. These are also explored in detail in our book, ***Staying Power: Why Your Employees Leave & How to Keep Them Longer*** (available on Amazon, Kindle, and Audible).

2. Provide better training

Proper training for managers, beyond just technical training, is the cornerstone for greater employee retention. Managers must first understand their roles, but beyond that, they must have the knowledge and tools to lead others. It doesn't always come naturally for those promoted into supervisory positions and since the workforce continues to evolve over time, managers must also constantly keep up with what's working and what's not.

Managers have the most direct influence on whether a person stays or goes, so is your organization investing in the effectiveness of managers at every level? Has it been more than 12 months since your last effective management training program? Do your managers understand the different communication and work styles of their people? Would their team members consider them good communicators? Can they lead different generations with success?

If the answer to any of those questions is “no,” it’s time to invest in training NOW!

If managers are forced to lead others, but lack the proper training to do so effectively, it will lead to more conflict, excessive miscommunication, and a culture with a widening divide between “us” and “them.”

Our Workforce Retention Bootcamp is filling the management training gap for organizations coast to coast. It shifts manager mindsets and provides the training they need to be effective in their roles. We’re seeing turnover reduction of at least 12% in the first year of this program for each group trained. One leader commented, “It’s not what we’re hearing about the program, it’s what we’re seeing. We have totally different managers walking the halls who care about their people and who know how to communicate with them now.”

Have you trained your managers on the following to ensure they’re equipped for the role?

- Evolving generational dynamics
- Behavioral styles to better understand oneself and others
- Emotional intelligence (EQ)

- Retention-specific communication strategies

If you do not have an effective, comprehensive leadership development program that is results driven and truly shifts managers mindsets, now is the time to make it a priority. If you don't, where will your organization be in 12-18 months?

3. Carve out the time

Time is arguably our most valuable resource today. The demand is high and the supply is low, particularly when referring to managers' attention. Giving managers time to do their job is not optional. We ***must*** give managers time to manage.

This one is easier said than done, but it's not impossible.

In most cases, organizations have maxed out managers' plates to the point where many are working on the front line while they simultaneously (try to) manage. When this occurs, managers aren't able to be managers. They are not able to plan ahead as they fight daily fires; they are not able to focus on onboarding new hires as they themselves are filling vacant roles; and they are not able to mitigate risk or identify new opportunities for improvement while they work ***in*** the business instead of ***on*** the business.

This relentless overburdening of managers

also leads to manager turnover. Everyone has a breaking point and burnout forces many to walk away.

While they may seem costly at first, we are discussing these strategies (and more) with executives to ensure the leaders they need don't keep walking out the door.

- Assessing and protecting manager workloads
- Creative job pruning by uniquely shifting responsibilities
- Hiring ahead of current staffing needs
- Un-flattening the supervisory hierarchy

Keep in mind, if it would take two people to replace a current manager, it's time rethink what's on their plate and adjust the workload and priorities for a more sustainable model.

What's Your Plan?

It's time to think realistically about the future. Will your current staffing approach and business model still work as labor prices continue to rise? What happens if you do nothing? Will our staffing challenges get better or worse?

Most of the organizations who come to us say today's workforce struggles will only get worse. And you're likely thinking, "Yeah, but we are beyond drowning in operational issues right now just getting things done, filling shifts, meeting minimum customer expectations, and covering all the regulatory requirements that we have to follow." It's a difficult spot to be in, absolutely; but, we can't afford ***not*** to address turnover. We can't afford to do nothing. ***The problem will not fix itself.***

Organizations spend hundreds of thousands, if not millions of dollars, on recruiting and retaining employees each year. Today, many of those dollars spent on unbudgeted, unwanted overtime and temp agency usage. Investing in collecting valid data, providing

proper training, and decreasing unmanageable workloads will yield great returns.

Remember the earlier math, that same company would save \$250,000 if it reduced turnover by just 10%, which is doable with these investments! I challenge you to crunch new numbers for your organization. How much would you save if turnover decreased by 10%? How would your culture be different if you had staffing stability? Would mistakes decline and quality improve? Would everyone sleep better at night?

Setting new (sustainable) priorities and budgeting to reach management effectiveness is worth your time, attention, and investment. And if this task seems impossible, we can help. ***Employee retention is all we do.***

Visit our hidden treasure trove of growing resources at MagnetVault.com, if you haven't already, for free downloadable tools. If that's not enough, give us a call. We want to help.

Retention problems are costly. We reduce unnecessary employee turnover by shifting manager mindsets and giving them the tools they need to be more effective in their roles.

Our approach dramatically reduces turnover costs; mitigates risks; increases employee satisfaction, morale, and loyalty; and yields higher quality work.

Never forget that people can go *anywhere* to find a paycheck and a bad boss. Organizations must take action now to create better leaders and build a place where people *want* to work.

How many more must leave before we make retention a true priority?

About the Author



Workforce thought leader Cara Silletto, MBA, CSP, is a national keynote speaker, author and workforce consultant. She is the President & Chief Retention Officer of Magnet Culture, a firm working with clients across

the country to reduce unnecessary employee turnover by bridging generational gaps and making managers more effective in their roles. As an early millennial herself, born in 1981, Cara currently sits in a unique sweet spot for bridging the generational divide, with more than a decade of experience spent figuring out the unwritten expectations of her managers. She understands firsthand why 70% of young professionals are fearlessly leaving their jobs in less than two years. And with each lost employee costing companies between \$5,000 (unskilled) and \$250,000 (highly specialized) to replace, Cara's Master's in Business Ad-

ministration (MBA) allows her to quantify real turnover costs for clients. She provides the strategic perspective needed to increase retention of the critical talent her clients can't afford to lose.

Workforce Magazine in Chicago named Cara a "Game Changer" for her innovative work addressing generational issues from the millennial perspective, and Recruiter.com included her in their "Top 10 Company Culture Experts to Watch" list. Additionally, she was named one of Louisville's Forty Under 40 in 2018. Cara's most recent book, *Staying Power: Why Your Employees Leave & How to Keep Them Longer* is available on Amazon, Audible and iTunes.

If you're seeking a dynamic keynote speaker for your next event, or if your organization can no longer afford increasing turnover, widening generational gaps, or ineffective managers driving away talent, contact her team to determine if what they do for other companies could work for your organization. Learn more at WeReduceTurnover.com or email solutions@magnetculture.com.

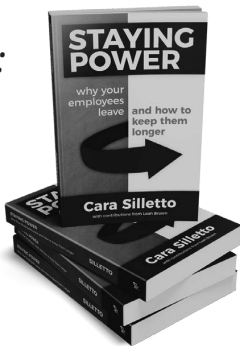
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What's Next?

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*



Available at
amazon

Available at
audible
or digital audiobook

Available on
amazon kindle

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.

Is employee turnover keeping you up at night? What's going on exactly? Let me guess...

- Managers' plates are too full to do it all
- There's no time for leadership and staff development
- The disconnect is growing between leaders and staff



The correlation between ineffective managers and increased turnover is no coincidence. The problems caused by low retention prevent managers from BEING managers and turnover increases when managers aren't properly managing. It's a vicious cycle! Now's the time for a wake-up call so we can stop the revolving door by making managers more effective.

Workforce thought-leader, Cara Silletto, MBA, CSP, is the founder and Chief Retention Officer at Magnet Culture, a leadership development company dedicated to reducing unnecessary employee turnover.

As we navigate a tremendously challenging talent market, we've found a wealth of valuable strategies to improve employee retention in Cara's message; her sessions are a must-see for all leaders!

—Kirsten Goulde, SHRM-SCP,
Sr VP of HR, Oakmont Management Group

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