

## Look Out - Increased Employee Turnover is Right Around The Corner

As we look ahead to the next several years, the evidence seems clear. Organizations that don't implement the necessary practices will face losing key employees, as voluntary turnover is likely to grow and once again become a strategic business issue as it was in the late 1990's

## An Improving Economy Brings Unwanted Employee Turnover

Indicators show that our economy is getting back on track following the horrors of September 11, 2001. The U.S. economy added 2.2 million jobs in 2004, the highest rate of job growth since 1999. Economists expect the economy to add a similar number of jobs in 2005, a rate that should keep gross domestic product growth steady at about 3.5%. The growing economy is good news.

The bad news is that as the economy grows, employment will continue to rise, and with it voluntary employee turnover is projected to rise significantly.

A recent survey conducted by Vital Learning Corp's close associate Dr Lynn Ware, Employee Retention expert, shows that in answer to the question... "What are the chances of you voluntarily leaving your job within the next twelve months?"... **more than half of the survey respondents (52%) said "moderately high to almost certain!"**

Another survey conducted by SHRM, Society for Human Resource Management, showed that **"83% of employees said that it was "extremely likely" or "somewhat likely" that they would actively seek new employment once the job market and economy improves"**.

Then there are the more macro trends. Overall we are becoming a more mobile society and economy. For instance the US Department of Labor data demonstrates that, on average, employee tenure declined 82% from the 1950's to 2000. And the US national average employee tenure today is running 3.5 years. Based on that we think it's important to ask... Do you know what your organizations trend is over the last 10 years, and what it is today?

## What Can You Do?

The evidence is unmistakable, most employees leave their job either because the job is not a solid fit and they do not achieve personal success, or they have what they feel is an unproductive relationship with their direct supervisor. On the one hand both of these unfortunate situations lead directly to unwanted turnover. On the other hand, both can be successfully addressed.

## The Solid Fit Hire

How many times have you seen new hires come in and you can tell right away (and so can they) that their new job is not a good fit and its not likely it will work out? The question is, why were these people hired in the first place? Many times it's because of missing elements like these in the hiring process.

***No Clear Documented Definition of What's Needed*** - Often there is no clear, documented, definition of what it takes to perform successfully in that job and in that company. Without that definition of what the right candidate is required to have to be successful, how can the Managers and Employees in the interview/hiring process know what to look for?

***Lack of Interviewing Skill*** - Many times the Managers and Employees involved in the hiring process do not have the individual skills nor the organizational process with which to legally, and effectively, uncover which candidates have the required skills and fit to be successful in the job and the company.

***Lack of A Realistic Job Preview*** - Much too often interview processes do not provide candidates a realistic job and organization preview so that they can effectively determine for themselves whether the job and company is a solid fit for them. Sometimes interviewers mistakenly believe that they need to hire any warm body they can today just to keep up. That approach only leads to predictable and expensive early turnover.

**Fortunately each of those hiring elements can be addressed by Vital Learning's Supervision Series curriculum, specifically two new modules titled "Hiring Winning Talent". To find out more go to <http://www.YouNeverStopLearning.com/leadership/hwt.asp>**

## **Developing Leaders That Retain Talent**

The data shows that employees quit their managers, not their company. That's because managers have such a direct and significant influence on all aspects of an employees' relationship with their job, their teammates, their work environment, and ultimately their company.

And yet where leaders have the skills to build effective teams, develop individuals to their full potential, and know how to help people achieve success on the job, those managers achieve substantial employee retention.

There are many facets to effective leadership including; communication skills, the ability to coach job skills, how to manage complaints, how to resolve conflict, how to delegate effectively, how to develop performance goals and standards, and how to provide effective performance feedback. All those elements plus more can be developed with Vital Learning's Supervision Series curriculum. The curriculum is available via online delivery, classroom delivery or with a blend of the two.

How do we know the Supervision Series curriculum impacts turnover? Because customers like Krista Soucy, Senior HR Manager at Staples Contact tell us so. Krista told us, "After we started using Vitals' Supervision curriculum we saw our turnover drop by almost one third over the course of a year. Our turnover rate is now about half of what it was in year one and we know from employee feedback and our performance measurement system that Vitals' training has a lot to do with our success."

So the answer is that increased leadership skills can be developed to overcome the upcoming rise in unwanted employee turnover. To learn more about the Supervision Series curriculum go to <http://www.YouNeverStopLearning.com/leadership/supervision.asp>

## **Conclusion**

With the proper preparation your organization and the leaders in it can effectively defend against unwanted turnover, with improved quality of hiring and more effective leadership. Here's to Effective Leadership!

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