

Leadership Barometer 128 Great Resignation

by Bob Whipple, MBA, CPTD



The Great Resignation of 2021 is a stunning example of how organizations without great cultures can suffer mortal damage due to employees leaving.

Turnover has always been a big problem for organizations, but in the face of unrest due to the pandemic, the problem has escalated to be life-threatening to numerous organizations.

Many businesses have been forced to close simply because they cannot find enough people to do the work.

One recent estimate is that about 50% of workers are unhappy and plan to move within the next year. That would mean a dramatic rise in turnover costs and a significant shift of the best talent from organizations with poor practices to those with stronger reputations.

How can we fight this needless drain? Here are seven key factors that can help you reduce turnover in your organization:

Employee Value Proposition

The EVP factor takes all things into account and tries to measure the total value an employee experiences from the first moment he contacts an organization until well after he has left it. It is axiomatic that if the EVP of working at Company X is lower than what the person can obtain elsewhere, the employee will leave.

Supervision

When people decide to leave an organization, it is most often the result of dissatisfaction with their direct supervisor. The most important thing to improve is the

quality of leadership at all levels. Teaching supervisors and managers how to create the right culture makes a huge difference in turnover.

Unfortunately, when money is tight, the first thing that gets cut is training.

Improving leadership at all levels needs to be a continual investment, not a one-time event when someone gets promoted to a supervisory role. Supervisors who are well trained recognize their primary function is to create a culture where people are engaged in the work and want the organization to succeed. These people rarely leave because they are happy where they are.

Compensation

Pay is often cited as a reason for people leaving an organization. Pay may be a factor in some cases, but it is often just an excuse. What is really happening is that the work environment is intolerable, so the remuneration for the grief endured is not a good tradeoff.

We need to teach managers to improve the **trust level** within the organization. High trust organizations can pay workers non-inflated wages and still have excellent retention rates. There are numerous examples of this. One of them is Zappos, where they have such a great culture, that when they offer employees \$2000 to leave, they do not take it.

In *Drive: The Surprising Truth About What Motivates Us*, Dan Pink points out that the relationship between pay and motivation is not what most people think.

He cites several studies that show a pattern where higher pay actually can lead to poorer performance. Pink advocates paying people enough so that the issue of money is off the table. Then, three other conditions, **Autonomy**, **Mastery**, and **Purpose**, will take over as the key drivers to satisfaction and motivation, and therefore, retention.

A Better Future

Another key factor that causes people to leave is lack of a path forward. Employees who can visualize some pathway to a better future will generally stick around to experience it. Training and development are key enablers for people to know there is a brighter future.

Cross-training is a particularly helpful way to have employees feel they are being developed to be more important to their organization. Cross-training also helps make the work environment more interesting.

Onboarding

In a time of high turmoil in the workforce, onboarding takes on a much more important significance. Most organizations do a poor job of onboarding new employees. They are so busy trying to survive that new people are shoved to the front lines early and often without a good orientation. The first few weeks of a new employee's tenure are the most significant factor that either result in a long and productive tenure or a hasty exit.

A Family Atmosphere

If you read about the culture of the top companies worldwide, there are many common themes. One of these is that employees describe their work associates as their extended family. They cherish the relationships with their co-workers. Sure, there will be some squabbles and an occasional lecherous uncle, but the overarching atmosphere is one of a nurturing and caring group of people similar to a family. Who would want to leave that environment?

Freedom

Enabling people to do their own work without being micromanaged is a characteristic of organizations that are good at retaining people. Nothing is more irritating than being ordered to do things in a certain way by a condescending boss who does not really understand the process as well as you do. The ability to use one's own initiative and creativity to get the job done right helps build self-esteem, which is a key ingredient in the retention of people.

Recognition

Knowing that someone cares about you and recognizes your efforts and accomplishments goes a long way toward building employee loyalty. A loyal employee is not out there looking for another position. Instead, he or she is thinking about how the organization's success can be enhanced through even more effort. The collective muscle of thousands of employees who each feel that way is amazing to behold.

Safety

Many organizations live on the edge of impending disaster. The competitive world has forced legions of companies to downsize on a regular basis simply to survive. When employees witness the revolving door that occurs as a result of things they cannot control, you can't blame them for wanting to find a safer mode of transport through their career.

There are three levels of safety involved in the equation. **Physical Safety** is always a factor, especially if the organization is lax about procedures and personal protective equipment.

Psychological Safety refers to the freedom to express one's self without having to fear retribution.

Emotional Safety is the feeling that things will work out in the end and the employee will be whole.

Conclusion

These nine factors are not an exhaustive list, but I contend that groups who focus on these conditions and understand the dynamics will have consistently lower turnover rates, saving millions of dollars each year or even just staying in business. That advantage is sustainable and scalable. It just requires leaders at the top who are skillful and relentless at applying these principles.

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