
Dealing with Employee Turnover

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More and more companies are reporting an increase in the rate of employee turnover they are experiencing. While such turnover appears to be caused by a wide variety of factors, impact on the affected organization seems to be essentially the same: - A degree of disruption to their major business that ranges from being a simple irritant all the way to the threat of major dislocation.

At the same time, talent acquisition, utilization and retention are now regarded as major business issues and not just 'HR' problems. As consultants,



we have also noted the growing number of engagements that seem to center around helping clients to deal with challenges associated with talent management. Clearly, CEO's and other senior executives need to spend more time

studying this new trend, anticipating its likely impact and developing effective measures to deal with it.

Here are some thoughts on how to develop an effective retention strategy for your organization:

1. Recognize that not all Employee Turnover are Bad: We may not like to admit it, but a certain amount of turnover is probably necessary to refresh the workforce over time. However, it is important to aim for an optimal rate that produces maximum growth and profitability.

2. Personal Attributes and Characteristic can Predict Turnover: Academic research conducted in Europe and America suggests that the personal attributes and characteristics of employees can help predict turnover. For example, employees with family responsibilities, those who are older and those who have worked with you for relatively longer periods of time appear less likely to quit than people who change job frequently. What does a review of your own turnover statistics suggest?

3. Use Organizational Strategies to Influence Turnover: Offer fair and competitive pay. Although relatively few

employees will leave your employment solely because of remuneration, it remains a powerful factor. Research suggests that people who feel they are well and fairly paid are less likely to leave than those who feel inadequately or unfairly paid. Unfortunately, many employers do not review their market positioning on a regular basis and they often fail to ensure that they give pay raises and bonuses that are based on merit. It is also unclear as to how many employees really understand the reasoning behind their organization's performance management or compensation and benefits system.

- *Provide internal and transfer opportunities. Allowing employees participate fully in the company through upward or lateral moves helps them to maintain heightened interest in their jobs and the organization. Outlining clear career paths seem to have a similar effect. These factors appear to help limit turnover by providing satisfaction for today and offering hope for tomorrow. An employee who feels more vested in the organization is generally more committed and less likely to think about quitting.*

- *Provide training and education opportunities. Today's ambitious high – performers see formal education and training opportunities as providing focused learning and a chance to enhance their worth. Employers, on the other hand, worry that such initiatives increase employees' mobility. Both parties are correct. However, not developing talented ambitious employees will almost certainly lead to their departure. While effective talent management strategies can help to maximize the return on investment to employers.*

- *Promote positive relations among co-workers. It is important to create a sense of community and harmony within the organization. Many employees change jobs*

to avoid unpleasant or tense relations at work. Enhancing an employee's sense of belonging and loyalty also appears effective in reducing the likelihood that he or she will leave.

- *Provide effective channels of communication. Employees are generally anxious to know what is going on in the organization. They also want the opportunity to express their own opinions. At the same time, there is evidence that a positive relationship exists between the effectiveness of organizational communication and the degree of employee commitment obtained.*

Obviously, there are no guarantees that simply following these tips will prevent employee turnover, but their effective implementation should help you hold it to the barest acceptable minimum.



If you would like to learn more about how to reduce employee turnover in your organization, please contact:

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