



WORDS ON WISE MANAGEMENT

Low turnover is nothing to brag about!

by Brad Federman
F&H Solutions Group

When a company has high turnover, that indicates it has problems. The same can be said for low turnover. Think about it:

- Is everyone in your workplace at the top of their game?
- Are all of your employees team players?
- Does everyone support the culture?
- Who may not be carrying their weight?

We don't want high or low turnover; we want great performance. And that means we want controllable turnover. There are three types of employees in the workplace:

- (1) Passionate supporters, in whom the soul of your organization resides;
- (2) On-the-fence folks, who neither drive performance nor hold it back, but don't have passion; and
- (3) Detractors, who are a drag on organizational performance.

We want to keep passionate supporters, convert on-the-fence folks to passionate supporters, and rid ourselves of captives. People who stay or intend to stay with an organization but lack the passion to give their discretionary effort or extra effort are "captives."

Having a low turnover rate among the captives is never a good thing. So why do they stay? There are three core reasons:

- (1) **Compensation.** Most companies are worried about paying low wages. There's reason to worry about paying wages that are too high. Some employees cannot replicate their compensation elsewhere. They dislike their current work environment and feel trapped but will suffer in misery for the reward.
- (2) **Fear.** Staying in your own pity puddle can feel like the best alternative because the miserable known is better than the fearsome unknown. People are scared of change, and they will stay in bad situations out of a sense of comfort.
- (3) **Lack of motivation.** As an employee, I may know what I don't like, but that doesn't mean I know what I do like. If someone has lost touch with what makes him tick, he has little reason for change.

Here are five ways to let your captives go:

- (1) **Use employee engagement data.** Data can illustrate where disengagement exists. We sometimes see a relationship between tenured employees and disengagement. Actively disengaged employees exist in all employee groups; however, in many cases, a higher percentage of them fall into the tenured category. Once you identify where your disengagement challenges exist, the issue is easier to address.
- (2) **Conduct a market analysis.** You should pay your employees fairly, but be careful not to use your compensation program as the main vehicle for retaining people. Compensation that's too low leads to disengagement, but high compensation rarely leads to active engagement. Money can't buy you love or—in this situation—passion.
- (3) **Hire the right people.** A robust hiring system ensures you hire the right person for the job and for the company. Each individual must be a good fit. When an employee struggles in her job or dislikes the workplace culture, it leads to disengagement.
- (4) **Assist employees with career development.** Help your employees know themselves. What are their skill sets? What are their passions? Which types of assignments do they like? We call this "individual brilliance" or "individual brand." In other words, no one else is like each of your employees—they are unique. Do your employees know what makes them special? Do they know how to apply their brilliance to the needs of your business? Such knowledge helps them stay engaged throughout their careers.
- (5) **Assess your performance management.** If organizations have effective performance management systems, then why are there so many captives? A strong system is part feedback, part coaching, and part problem solving. If it's done well, it promotes transparency, and captives are identified (or self-identified) and either become engaged through the process or are counseled out.

No one likes being imprisoned or confined. Isn't it time you let your captives go free so they can find a place where they can flourish?



Brad Federman is the chief operating officer at F&H Solutions Group. He can be reached at bfederman@fhsolutionsgroup.com or 901-291-1547. ❖