

## Keeping Top Talent: The Value of Employee Retention



By Mark Barnhart, CPC

**SUMMARY:** TODAY'S EMPLOYERS MAY BE FOCUSED ON TRIMMING THEIR WORKFORCE AS A MEANS OF CUTTING COSTS AND REMAINING COMPETITIVE.

HOWEVER, AS BABY BOOMERS RETIRE, LEADING MANAGEMENT CONSULTANTS ACCENTUATE THE IMPORTANCE OF RETAINING VALUED EMPLOYEES AS A MEANS OF OFFSETTING A SHRINKING TALENT POOL.

Beginning in 2010 available jobs will outnumber available workers by 10 million. That is according to the book, *Impending Crisis: Too Many Jobs, Too Few People*, which decrees the need for employers to keep their top talent and minimize turnover.

Today's tumultuous economic climate has many employers focused on trimming their workforce to offset deteriorating financial conditions. Yet the book's authors – management consultants Roger Herman, Tom Olivo and Joyce Gioia – point out that 70 million baby boomers are poised to retire in 2010, while only some 30 million new hires from Generation Y will be available to negate that exodus.

How do employers keep high performers on staff or maintain what "Impending Crisis" refers to as "tenure equity?" The authors contend that "not all turnover is equal." They challenge employers to find ways to keep the workers that the company has invested the most time, money, resources and training in – the employees with "tenure equity."

### Retaining Valued Employees

The following practices are recommended to keep top talent within an organization and avoid loss through turnover.

- **Acknowledge Achievements**  
Everyone takes pride in personal accomplishments and achievements. Therefore, receiving recognition for a job well done is always appreciated. Let individuals know they are doing well, and showcase

those achievements within the company for others to see (i.e. newsletters, bulletin boards, Intranets, meetings).

- **Challenge Employees**

Recruiters witness first-hand the reasons people change jobs. A lack of challenge usually outweighs issues such as money, title and professional growth. Top candidates thrive on challenge and will consistently strive to surpass goals and expectations. Providing new projects and responsibilities to the best employees will keep those individuals engaged and enthusiastic about their role within the organization.

- **Define Career Paths**

As employees grow within the organization, top performers want to know where they are headed, what is next for them in the company, and what new duties and responsibilities await. If those associates do not see their next promotion at the company, another employer – possibly a competitor – will eagerly lay out a path that extends beyond the current doors.



- **Solidify the Work Environment**

Make certain employees are given the proper tools to effectively do their job. Investing in technology and support is an investment that will be recognized. Simply ask, what they need to succeed?

- **Provide Flexibility**

Cellular technology and the Internet have made work from remote offices more commonplace. Allow high performers the flexibility and freedom to complete projects while also caring for family matters or taking

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care of personal business. Top performers will not abuse such privileges, but instead will work harder and smarter.

- **Compensate Top Performers**

As already mentioned, money is not normally the main factor leading to a decision to change careers. However, if pay is a factor, it cannot be addressed after the fact. Do not take employees for granted, and do not wait for competition to offer a salary increase. Keep compensation surveys current, and hold employee performance and salary reviews regularly. In addition, consider other compensation methods. Bonuses, benefits, time-off, and other perks go a long way in maintaining loyal employees.



The talent pool is shrinking. The U.S. Department of Labor's rule of thumb puts replacement cost as equating to 33 percent of the annual salary of the individual being replaced. As employers continue to combat today's financial pressures, the high cost of turnover should remain at the forefront in planning and training for future needs. •

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