Solving the Retention Puzzle

A WORK IT DAILY/212-Careers Series

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At no previous time has human capital been so important -- finding, developing and retaining knowledgeable workers will be mission-critical functions in the New Economy.

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ON-TRACK RETENTION

- Has anybody ever hired a top performer who left -- but not for a better opportunity?
- Is money the key issue in retention?
- Is the goal of retention to create 0% turnover?
- How many options do you have for recognizing and rewarding performance?

2

- Objective Information
- Not Just Money

- Training
- Recognition
- Accurate Feedback
- Culture
- Keep It "ON-TRACK"

3

Hiring is a key to improving retention, but retention is NOT a solution to poor hiring.

You cannot retain top performers without hiring top performers.

But you can hire top performers and not retain them.

4

Feedback is the breakfast of champions -- it's objective and it's given often.

Peak performers want feedback that is:

- **Specific**
- **Immediate**
- **Relevant**
- **Timely**
- **Personal**

No one ever performed an encore to an audience that wasn't applauding.

5

"OK" doesn't cut it -- you must create a culture for excellence and one that fights "retention killers."

- Organizational culture can have a significant impact on a firm's long-term economic performance.
- Organizational culture will probably be an even more important factor in determining the success or failure of organizations in the next decade.
- Organizational cultures that inhibit long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.
- Although difficult to change, organizational cultures can be made more performance-enhancing.

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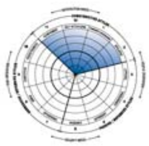
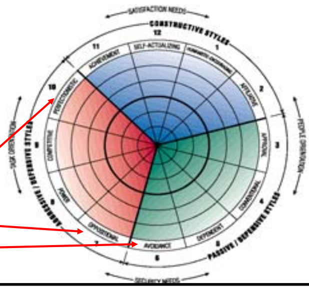
ORGANIZATIONAL CULTURE



- Achievement
- Self-Actualizing
- Humanistic- Encouraging
- Affiliative

Retention Killers



7

Some Key Issues on Culture

- Many organizations don't know what their actual culture is -- some don't know what they want.
- Culture is often confused with climate, values, and vision.
- Culture isn't easy to change -- when you try and change it, the old culture rises to protect itself.
- Culture cannot be created simply by a decision to "create" a vision.
- Catalytic Mechanisms
- Levers for Change

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TRAINING EXCELLENCE

Training starts before you hire -- and never ends.

Employers eager to attract and hold top talent will use workforce learning opportunities more strategically to build a stable workforce of high capability employees.

The ASTD Trends Watch

Education
Development
Understand Orientation
Conferences
A + Level Quality
Training
E-Learning

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TRAINING EXCELLENCE

- Attention to the "EDUCATE 7" is critical.
- Generation X and Millennials place a very high value on "EDUCATE" options.
- "Encouraging my development" and "opportunities to learn and grow" are two critical stops on the mountain climb to "a great place to work."
- Orientation is an opportunity -- that is often lost quickly.
- A strategic attitude toward "EDUCATE" is critical.

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RECOGNITION

Compelling Jobs + Outrageous Recognition = Better Retention

- If you know a person's "significant accomplishments," you can discover what kind of recognition the person received or wanted for that accomplishment.
- Recognition comes from both bosses and peers!

Things that get rewarded get done!

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If you want to hire superior people, use a system designed to hire superior people.

If you want to *retain* superior people, use a system designed to *retain* superior people.

ON-TRACK RETENTION is a program offered by Beyond the Far Cliffs – www.farcliffs.com

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Solving the Retention Puzzle (Part 1)

 Jim Schreier

Retaining top performers in today's competitive environment remains a puzzle for many organizations. There are many reasons for this. Some that are uncontrollable – like a natural drive some people have to look for new challenges that are clearly outside a particular organization or simply desire for a career change. But there are also elements of retention that are completely in control of an organization.

A successful retention strategy involves putting all the pieces of a complex puzzle together – retention efforts will never be completely successful if pieces are missing. This is a primary reason for the continued struggle with retention – related to statistics that show over 65% of employees are currently "seeking other opportunities. Too often, an organization's efforts are limited to putting only one or two pieces of the puzzle into play.

There are excellent resources available on most of the puzzle pieces – from organizations that specialize in recognition, or training, or motivation practices. But, at a minimum, I would argue that:

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

This looks like a very complex formula – and it is. And to begin, think about the complexity of this “formula” from a mathematical standpoint. The formula suggests that each of these factors can contribute to the success – or failure – of a retention strategy. Plus, there’s the important element of “interaction” that suggests the right training and the right recognition might yield 2 + 2 = 5. But at the same time, it acknowledges that the right training and the wrong recognition might yield 2 – 2 = -5. This represents the complicated, sometimes frightening, struggle to craft a successful retention strategy.

OBJECTIVE EXPECTATIONS

The first factor listed in the formula is “Objective Expectations.” It is listed first only because it is often a factor that is optimized – or minimized – before a person even begins a job. Here’s the worst example from my experience (unfortunately, I’ve been involved in too many bad examples).

As the consultant for an organization in the “entertainment” industry, I was asked to completely re-design their new employee orientation program. New employees attended the program before starting their jobs. As a basic introduction to the program, I would ask the new employees the typical “name, home town, and ‘what department are you going to be working in’” questions. Although it was shocking at first, the most common answer to “which department?” was “I don’t know yet.” This answer became an expectation that lasted the entire year.

These new employees didn’t even know what department they were going to be working in – much less what the specific expectations might be. They might end up in customer service, food service, security, or maintenance. The organization’s turnover was close to 100% annually. One employee quit after four hours on a job that was “not what I expected.”

Management guru Ken Blanchard has stated for decades that expectations between employees and managers are often out of sync. He’s posited that a simple experiment proves this the majority of the time. I’ve conducted this experiment with scores of employees/managers as part of different consulting/training projects. The employee and the manager are asked – separately – to identify the top ten “expectations” for the employee’s position. The majority of the time, not only are there serious mismatches in the “ranking” of the items, there is are several items that appear only on one of the two lists.

One clear solution to this “Objective Expectations” struggle is to acknowledge that typical job descriptions rarely describe clear expectations, much less the expectations of superior performance. Performance-Based Hiring guru Lou Adler (www.adlerconcepts.com) developed the solution: “If you want to hire (retain) top performers, first define superior performance.” Sounds much like Stephen Covey’s “Begin with the end in mind.”

A Performance Profile is a document that should be used before a new employee accepts a job and begins work. It should be used as a basis for recruiting, interviewing, and orienting a candidate. During an interview, a candidate should clearly be challenged with “Here’s what our best employees do in this position…” The following should be clearly specified: What the best employees in this position accomplish during the first year, during the first six months, and during the first 30 days on the job.

For a large “camping’ organization, we discovered that the “best” camp counselors “get to know their campers personally (by name) by the end of the first day and build on that relationship throughout the week.”

It was easy to communicate this in recruiting materials, as part of the interview process, and clearly as part of the training provided both new and returning counselors. They knew what was expected of them. This is the first step in solving the retention puzzle.

Solving the Retention Puzzle (Part 2)

 Jim Schreier

In Part one of this series, a theme was established. First, it acknowledged that retaining top performer's in today's competitive environment remains a puzzle for many organizations. Second, I postulated a formula for some of the "known" elements. The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

The objective expectations component (presented in Part one) is best summarized by the key first element identified by Marcus Buckingham and Curt Coffman in *First, Break All the Rules:* **"Do I know what's expected of me?"**

COMPENSATION – IT'S NOT JUST MONEY

Performance hiring expert Lou Adler points out that successfully recruiting top performers is based on understanding that they will discuss – and accept – offers based on 1) a challenging position, 2) an organization they want to work for, and 3) a manager (or boss) they want to work for. Notice that compensation, particularly just money, is not on this "short list." And the same points apply to retention.

I’ve often asked managers at all levels a simple – but hopefully thought provoking – question: “If you increased the pay of your employees 25%, would it significantly change their performance?” The universal answer I get from all levels of management is “NO!” There are also too many examples of organizations thinking that money will keep an employee not only from leaving but will motivate the employee to better performance. Compensation increases can often be little more than a negotiating tactic when an employee uses an offer from another organization (or the threat of an “offer”) to get a raise. Top performers rarely act this way, and it’s rarely going to be a retention strategy for top performers.

The ranking of compensation has changed in several long-term studies on motivation. Almost never the top item identified in a survey, typically 2nd or 3rd to “Interesting work,” it has now shown up as a top item. The reasons are likely to vary, from the current economic climate to the highly competitive environment for top talent in some fields. But one thing is emerging. A very recent survey showed that the top item was “competitive compensation” – not the highest, but what clearly is simply “competitive” – a ticket for entry to evaluate other factors.

A “Total Rewards” strategy will reflect the use of both monetary and non-monetary rewards to align individual goals with the goals of the organization. It will frequently include alignment of personal and organizational values with programs encouraging and actively supporting pursuit of social or environmental activity. It’s likely to include better targeted benefits – including some of the atypical perks reported by start-ups. In a highly competitive, intense work environment basketball courts, pool tables, or arcade machines appear to be powerful “benefits.” While yet to be appearing as a national trend, it appears that “workplace concierges” are becoming popular in the highly competitive high tech environment of Silicon Valley – charged with serving almost all the needs and enabling employees to focus on work.

Tying compensation to performance is the harder part of recognizing how “money + goals” can produce top performance and at the same time prove that it’s “not just the money.” Endless debate over “does money motivate?” will remain endless for many reasons. Some individuals, stereotypically some in sales, are clearly motivated by the financial incentives of money, perhaps commissions, as the scorecard for their success. But examples also abound of companies that have abandoned commission based compensation with successful strategies based more on customer service.

It could be argued that the compensation element in a retention strategy is another example of a “Goldilocks” factor. “Too Little” will likely de-motivate employees to a “meets expectation” level or “just enough” performance level. “Too Much” will not motivate performance beyond what’s likely defined by the other factors, including a must mentioned factor – talent! Determining “just right” remains – and will remain – a struggle.

The role of compensation is also complicated by two other factors that are being hotly debated right now: fairness and equality. Organizations have always attempted to determine pay based on the “value” of the work performed – not the external factors of what might be defined as a “fair” wage. So, fast food operations and retailers determine that the “job” not the “person” is worth $ x per hour – and that’s what they offer. It’s left to individuals to decide if they’re willing (or need) to accept that offer.

The “equality” debate centers on the argument that individuals should receive “equal pay for equal work.” So, everyone performing the job of a retail sales person, or a fast food cook, or a teacher, or a mechanic should receive the same pay. While certainly correct when addressed as an issue based on illegal discrimination based on age, race, gender, and so on, it fails when compensation factors in experience, time served, and even some external factors like location.

The complexity of compensation in fact forces the conclusion that it will rarely if ever be the main component in a retention strategy. Important yes, easier to get wrong than right, yes! But the first factor discussed, expectations, and the next factors to be presented, starting with training, are more important.

Solving the Retention Puzzle (Part 3)

 **Jim Schreier**

In Part 1 of this series, I postulated a formula for some of the “known” elements. The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

The objective expectations component was discussed in Part 1. **Part 2 discussed the challenging aspects of compensation.** A lifetime of training leaders, managers, and front-line customer service staff leads to some very important conclusions on the impact of training in a retention strategy. A vision and philosophy for training can have a major impact in a successful retention strategy.

TRAINING BEGINS…

Clear expectations, discussed in Part 1, actually begins the training process before an employee is hired – as part of the recruiting and interviewing process. A retention failure occurs when a new employee discovers that the actual job is dramatically different from the expectations provided (or not provided) during the hiring process.

The next, and major step, comes with a solid employee orientation program – for unexplained reasons now more frequently referred to as "onboarding." Fortunately, some of the most successful organizations, including Disney, Zappos, and others, have realized that orientation is much, much more than a Human Resources program on policies, procedures, and forms for payroll. I mention Disney specifically because I've been a "participant" in Disney's "Traditions" program several times. I've also developed and led orientation programs for an entertainment complex.

Some basic guidelines include:

- Orientation is completed before the employee starts work.
- Orientation includes history, values, company "terminology."
- Orientation is experiential, visual, and in today's popular terminology, "gamified."
- Orientation includes 25¢ tours not 5¢ tours involving current employees welcoming the new employees in different areas.

ON-THE-JOB TRAINING

Many organizations do not realize the power of on-the-job training while others make great use of large training libraries to ensure new employees learn how to correctly prepare products, process transactions, and serve customers. Some on-the-job training guidelines:

- Subject matter experts (either developing or delivering) are critical – but they need to understand one basic fact. They know procedures so well that they don't teach them effectively. So, they need to add teaching skills to their job content skills.
- Standards for OJT are critical – employees too frequently are trained by soon-to-be colleagues and often are taught multiple – incorrect – "secrets" for doing things. Confusion does not lead to a retention plus factor.
- OJT is delivered right away – at the moment the employee starts, not two weeks later.

REGULAR TRAINING

I'm going to borrow something here from a special project I've been pursuing for several years, **lessons for leaders and managers from the performing arts and sport**. Fundamentally, these professions focus extensively on training and practice – often far in excess of the actual "performance" time. I know of a Broadway show where key performers rehearse several key scenes before every performance. I've seen a singing group spend almost as much time working on a "sound check" as the time of the actual concert. I’ve seen in both the performing arts and sports how important the role of the coaches and feedback are for consistently top performance.

Too often, organizations do not invest in training. It’s a classic point-counterpoint but still valid today: “What if we train people and they leave?” *What if we don’t train them and they stay?* Some companies do invest in hours of training for employees or managers, but they believe that a one-time training program will last for years. Even with good reinforcement for training on-the-job, assuming the lasting effects of a training program delivered years ago is a faulty assumption.

Some training guidelines:

- Training should be experiential – learning by doing, with practice.
- OK – maybe 20% – 30% presentation, even with PowerPoints, is OK.
- Responsibility for follow-up is shared by training staff, participants, and participants’ managers.
- Training is for everyone – senior management inclusion improves implementation by all.
- World class content comes from knowledgeable authorities – in-house developed content may be cheaper but it’s not always best.

Several years ago, I had the opportunity to “shadow” a Disney Cast Member. He was a frontline member of a dining/entertainment attraction. He was a “lead,” not a supervisor or manager. Because of my interest in training, we talked extensively about the training Disney makes available for all cast members.

He offered to show me something – a significant responsibility he had as part of being a “lead.” He had file folders for each one of the cast members at his attraction. For each employee, there was a chart showing available training programs through the Disney University. It was his responsibility, proudly accepted, to schedule fellow cast members for training and follow-up on completion.

Training and development for managers and leadership have some additional elements but the ones discussed here focus on those best for retaining employees at all levels.

Solving the Retention Puzzle (Part 4)

 [Jim Schreier]

In Part 1 of this series, I postulated a formula for some of the “known” elements. The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

The objective expectations component was discussed in Part 1. Part 2 discussed the challenging aspects of compensation.Part 3 discussed training. In my experiences training 1000’s of managers for a variety of organizations, I’ve found “recognition” to be a fascinating, and one of the most puzzling, factors.

We Know a Lot about Recognition

One of the puzzling factors of recognition is that there is a lot of powerful, research supported data on the power of recognition. From the powerful, now longitudinal, work of the Gallup organization, initially popularized by the Buckingham/Coffman work in “First, Break All the Rules,” the critically fourth step in developing top performers (and teams) was the answer to:

In the last seven days, I have received recognition or praise for doing good work.

The deliberately strong wording ("in the last seven days") revealed both the power and the paradox of what we know about recognition:

- Less than one in three employees give a strongly positive answer to this statement.
- Between one-fifth and one-third of employees "disagree" with the statement.
- Variation is responsible for 10 to 20 percent differences in productivity and revenue.

And this represents the first point on why recognition is puzzling. We know it makes a difference yet there's strong, majority opinion that it's not happening.

Research by the authors of "The Carrot Principle" (Gostick and Elton) clearly supports the power of recognition, identifying significant percentage differences between low and high performing employees:

- 39 point higher percentage of employees "completely satisfied with job."
- 63 point higher percentage of employees "agree morale is very high."
- 65 point higher percentage of employees "who are highly engaged."

But We Don't Do It – Or Know How?

Despite the strong evidence of the power of recognition, there is still the data showing clearly that employees do not feel they are being recognized. A recent article reported:

- Employee engagement, productivity, and customer service are 14% better in organizations where regular recognition occurs.
- However, only 17% of the employees indicated that their organizational culture strongly supports recognition.
- Over 70% of the respondents indicated that they are only recognized once a year (a service award) or not at all. (Bersin and Associates)

Is it just that we don't do it or is it that we don't know how? This is why I find the recognition element such a puzzling factor in the retention puzzle. And it's complicated by the fact there is clearly an abundance of resources and strategies available on recognition. Perhaps that's part of the problem, too many choices. And while there's an abundance of excellent resources for recognition, there are also enough horror stories about failed programs, like oft-criticized and ridiculed "employee-of-the-month" programs. Perhaps managers and organizations want to – but don't take the time to determine the strategically best actions for recognition.

Time to Act

There are many steps that can be taken to improve recognition in an organization. I'm only going recommend two here. The first is training. Managers presented with a deeper understanding of the power of recognition and practicing opportunities for recognition in the unique settings of their organization can make a huge difference. A single manager in a training program I presented a few years ago developed a program customized to his organization – a program that is now being used by several managers in different locations around the country.

Successful recognition is frequently very personal. As a 16-17 years old employee, I was approached by one of the family owners of my high school/college employers. He took me aside, told me that he wanted me to know that his father (the founder of the company) and he were aware of my efforts during the soon-to-be completed holiday season. He then handed me a $10 gift certificate to the store. Recognition does not have to be "major;" it just has to be significant – as I'll testify to just from remembering every moment of that interaction what is now multiple decades later.

How to you make it personal? Ask! I will fully discuss a format for a "Retention Interview" in the closing article of this series. But here's a starting point. As part of a new employee's orientation (or onboarding), interview the employee. Ask how they've been recognized for their performance in the past (but don't be surprised if they haven't been recognized). Ask how they want to be recognized if their performance clearly exceeds expectations on a project? One thing that is almost guaranteed – you'll be surprised in many cases how easy it might be to generate a story that will be remembered by that employee decades later.

Solving the Retention Puzzle (Part 5)

 [Jim Schreier]

[In Part 1 of this series], I postulated a formula for some of the "known" elements. The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

The objective expectations component was discussed in Part 1. Part 2 discussed the challenging aspects of compensation. Part 3 discussed training; Part 4 discussed recognition. In my experiences training 1000's of managers for a variety of organizations, I've found "feedback" one of the most fascinating, particularly because there are powerful lessons from many different sources.

We Know a Lot about Feedback

For clarity, I want to focus specifically on direct feedback on performance, positive or negative, differentiating this from "recognition" where positive and/or organizational feedback is often included. While this is most frequently focused on feedback provided by someone supervising an employee, it often comes from other sources.

The power of feedback is well documented. From “First, Break All the Rules” (Buckingham/Coffman) we learned about the “Gallup 12” and we know the “In the last seven days, I have received recognition or praise for doing good work” (Emphasis added). The power of this research, demonstrated by this factors fourth place position as a critical follow up to the key first question: “**Do I know what is expected of me?**”

In “12: The Elements of Great Managing,” Rodd Wagner provides some of the key details on Gallup’s research on feedback:

- Less than one in three employees strongly agree with the statement that they regularly receive positive feedback.
- Positive feedback is responsible for 10 to 20 percent differences in productivity and revenue.

Even more interesting is the reported information from Wagner on how feedback affects the brain and directly affects the performance of teams:

- Positive words activate regions of the brain related to rewards – an increase in “dopamine,” the brain sending a signal for enjoyment and satisfaction.
- High performing teams received 5.6 times more positive than negative comments.
- Low performing teams received 2.8 times more negative than positive comments.

Carol Dweck (“Mindset’) showed that there is a significant performance difference for “You must have worked very hard” compared to “You must be smart at this.” In one phase of her detailed experiments, she identified that students praised for their efforts (“worked very hard”) exhibited average scores increased by 30%. One of the most important factors of Dweck’s research is that it shows how complicated delivering good positive feedback can be.

Robert Cooper (“Excelerating”) adds a fascinating element to the importance of feedback, beginning with the results he reports that 58% of employees “seldom if ever receive personal thanks from their employer.” But more importantly he provides an extremely provoking thought about feedback: *“Some people have lived or worked with you for long enough to have earned the right to give you feedback. Their comments should always be taken into consideration. But most other people have not earned the right for you to listen to their criticisms, so don’t.”*

When I first heard this material from Dr. Cooper, I decided to seriously search for some personal examples. I first recalled a manager who I worked for during high school and college, seven years working for one of the best managers of my entire career. He was a true mentor who quickly earned the right to be believed with everything from a simple, sincere “thank you” to a firm discussion when something wasn’t right.

I then fast forwarded to a more recent example. I have had the pleasure of becoming more than just a fan of a well-known singing group. I’ve been able to travel with them a few times, help them set-up, work merchandise, and so on. I should note that I have little if any musical or singing talent. At the intermission of a show one night, a member of the group approached me and specifically asked “Jim, how is the sound?” I looked at him and fairly bluntly told him that it was not good – something was wrong with the “mix.”

What’s important about this feedback is that I discussed this with him later – he told me two things: First, the audience will rarely say anything – asking them will most often get “it’s great” (unless something is terribly wrong). But more importantly, he stated: “We know you’ll tell us the truth.” Interestingly, just three weeks, ago they asked me review a special event – “loved by fans” for the same reason. I had “earned the right to give feedback” to this group and earned the right to be sought for feedback.

Feedback is critical and if managers want to retain top performers they need to become actively aware of both its pitfall and powers. There are two more specific examples that I want to discuss on the power and options for feedback. In the next post for this series, I’ll offer these additional examples and look at specific guidelines for providing both positive and negative feedback.

Solving the Retention Puzzle (Part 6)

 Jim Schreier

In Part 1 of this series, I postulated a formula for some of the "known" elements. The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

Part 5 discussed several aspects on the power of both positive and negative feedback. There are two additional points that are important to understanding feedback – and some specific guidelines for delivering powerful feedback on a regular basis.

Negative or No Feedback

For years, I've used a classic exercise on feedback to demonstrate its power for managers in training programs. It involves having blindfolded participants attempt a task with three different variables: a manager who provides 1) No Feedback, 2) Negative Feedback, and 3) Positive Feedback.

While there have been interesting examples where the "no feedback" or "negative feedback" have yielded explainable best results, the overwhelming number of times

(100's) I've conducted this experiment have shown that positive feedback produces results far beyond the other options. The exceptions are notable with practical value for managers.

One of the highest overall scores was achieved by a participant who received absolutely no feedback. The instruction was given once – then nothing more was said as the participant attempted the task. But in this particular case, the participant "hit" the target perfectly on the first attempt (of 10). The participant "learned" exactly how to do the task – without begin given clear instructions (expectations). In the real world, a new employee might figure it out on their own – but that's not a chance a good manager should take.

In a second example, one participant who received only negative feedback on performance scored very well. I knew – and deliberately picked – the person because of a very highly "competitive" personality. This participant was visibly reacting angrily to the challenge, began to take the negative feedback very carefully to fine tune the attempts – and made it work.

Are there personalities that can perform well with negative feedback – maybe even thrive on it? Sure, but that's not the workplace environment needed for consistent high individual and team performance.

And a final note on the power of negative feedback: There are various studies that actually show that we store negative feedback in a different part of our brains – and in a part where that memory remains more easily accessed (remembered) for a longer period of time. This is consistent with our knowledge of the "fight or flight" reaction and many other studies on the brain.

Easy to prove on a practical level? I think so. Here's a question: Think back to something very specific that happened to you in the second or third grade. Is the memory something positive or negative (embarrassing)? I've asked this question of 1000's – I'm sure about 75% of you recalled something negative.

Guidelines for Positive Feedback

1. **Be specific!** Generalities like "good job" or "thanks for the hard work" aren't specific enough. Even if your goal is give some feedback on overall performance, include a recent, very specific example as part of that.

2. **It's from you – not the company!** You should include what it means to the organization, or the department, or co-workers but the primary source of the feedback is you and what it means to you. One of the most powerful pieces of positive feedback I ever received started with: "I want to let you know that my father, brothers, and I know how hard you've worked…" (By the way, those words are ingrained from decades ago).
3. **Don't add "But…"** Keep the message pure – the only thing that can be added for the future is the desire or expressed confidence that the employee will continue the behavior. Too many times, positive feedback is completely destroyed by the "But…" Even when done jokingly, it significantly depreciates the value of the positive.
4. **Make it public – with caution.** Providing positive feedback in front of an audience can be appropriate in some cases and for some people. Think about it! It can also be embarrassing to some people and virtually ensure they will never excel again.

Guidelines for Negative (Constructive) Feedback

1. **Ask for Permission!** This is the most powerful, and most overlooked, tactic for delivering negative feedback. Very few, if any, look forward to receiving negative feedback. Yet it's frequently "dumped" without warning. Simply ask: "Can we talk about what happened with that last customer?" You're the boss. In my experience, 90% of the time the employee says "Yes" and you've addressed a significant barrier. Obviously, there will be times that, as a manager, you'll have to insist. But here's another quick tip: If the employee says "no," ask "OK, but we need to talk about what happened, when can we do that?" Try it – it works!
2. **Be quiet – listen!** In the vast majority of cases, employees are aware of their performance. In many cases, they are tougher on their performance than the manager is. (Note: I've discovered that performers don't like what critics write primarily because they miss more of the mistakes than they hit.) Present the key issue quickly, then let the employee explain and analyze. Good listening leads to focused analysis of the problem and solutions.
3. **It's the future that matters.** It's not a never-ending discussion of the past. Focus on expected changes in behavior and consequences, good when possible, negative when necessary.
4. **Express confidence that the person can improve.** Clear and simple!

Feedback has been identified as *the* primary motivator of human performance. Managers need to understand the process and develop the skill with practice to be effective.

Solving the Retention Puzzle (Part 7)

 Jim Schreier

In Part 1 of this series, I postulated a formula for some of the "known" elements. The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

The last identified part of the formula is Organizational Culture. And it could easily be the most important as organizational culture has been identified by significant research as a "retention killer."

Understood and Misunderstood

Organizational Culture has steadily grown in awareness of its importance in recent years. Over fifteen years ago, leadership guru John Kotter recognized some key factors about culture:

- Organizational culture can have a significant impact on a firm's long-term economic performance.

- Organizational culture will probably be an even more important factor in determining the success or failure of organizations in the next decade.
- Organizational cultures that inhibit long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.
- Although difficult to change, organizational cultures can be made more performance-enhancing.

At the same time, Organizational Culture has been seriously misunderstood by many. From a key HR organization leader who stated that she didn't need to measure culture because she could "see it in the employee cafeteria every day," to organizational leaders who speak of their "culture" in terms of "values" or "desired culture."

Much of this is confusion over "culture" versus "climate." And it's a critical distinction. Signs of an organization's "climate," like a child's temperature, are easy to read. However, it doesn't measure the real underlying issues.

Organizational Culture is best described as the "behavioral expectations" within an organization – the "expectations" that employees learn within just a few days – or hours – on how to behave, how to "fit-in." "This is how we do things" is learned quickly by employees. (Human Synergistics)

Cultural expectations can be positive, focused on factors like "Achievement," expecting employees to "set challenging goals," or "Affiliative," expecting promotion of teamwork. Cultural expectations can be passive-defensive, focused on factors like "Approval," expecting employees to "go along with others," or "Avoidance," taking few chances.

Expectations can be aggressive-defensive, focused on factors like "Oppositional," expecting employees to always be "finding fault" or "Perfectionistic," setting unrealistic expectations. J. Clayton Lafferty, a key developer of a strong model for organizational culture, co-authored a book entitled "Perfectionism: A Sure Cure for Happiness."

As noted by Kotter, organizational culture is clearly shown to be related to long-term economic performance. But it's also been related to the quality of customer service, in both positive and negative ways. The "Constructive" factors are positively related to quality customer service, the "Passive-Defensive" factors are negatively related to quality service, and the "Aggressive-Defensive" factors can be either positive or negative.

That may sound confusing to some but it actually points to the importance to truly understanding the impact of cultural factors. “Competition” is an “aggressive-defensive” factor. Too much is devastating to quality service, too little leads to a non-caring attitude toward serving customers. It’s another typical “Goldilocks” scenario – it needs to be “just right” – a good example of the complexity and challenge for organization leadership.

In this series on retention, I’ve made frequent references to the work of Marcus Buckingham and Kurt Coffman from “First, Break All the Rules.” It’s important to note here that the 12 steps identified by the Gallup research, starting with “Do I Know What’s Expected of Me?” are directly and positively related to the “Constructive” factors of organizational culture.

“Retention Killers”

But the key piece for retention is the research that identifies some specific factors of organizational culture as “retention killers.” Picture this scenario: a new employee, fresh from the confidence of successfully completing their formal education, is eager to “make their mark” with new ideas for their job, for their new organization. But the new ideas are quickly shot down with comments like “that’s not the way we do things around here,” or “don’t rock the boat,” or simply a dismissive “you’re too new.”

This environment very often explains why a potential top performer starts looking for a new job very quickly. *“I’ve quit; I just haven’t told anyone yet.”* Organizational culture factors of “Perfectionism,” setting unrealistic standard, “Opposition,” always finding faults, and “Approval,” focusing on gaining acceptance are documented “retention killers.”

Getting to know your organization’s culture helps you determine if the behaviors expected of employees support – or detract from – high performance and retention. Diagnosing your organization’s culture with an “employee attitude survey” is no more accurate than a “health questionnaire” preceding a physical.

A serious culture assessment needs to be as thorough as an MRI – conducted with sophisticated measurements and interpreted by trained, skilled professionals. Assessing your culture brings to light opportunities for change and improvement that can nurture and sustain your high performers over time… both now and in the future.

Solving the Retention Puzzle (Part 8)

 Jim Schreier

In Part 1 of this series, I postulated a formula for some of the "known" elements.

We cannot forget the importance of these words from Merrill Lynch: *"At no previous time has human capital been so important — finding, developing, and **retaining** knowledgeable workers will be mission-critical functions in the New Economy."*

The formula suggests that each of this factors can contribute to the success – or failure – of a retention strategy.

Successful Retention = f (Objective Expectations, Compensation, Training, Recognition, Feedback, Organizational Culture, and…)

In summary, there are three important points:

1. Retention is not easy – it's a complicated, critical strategy for organizations.
2. Sounds repetitive – but it's not "three easy steps."
3. There are other factors, some of which are uncontrollable. Some of your best people leave for reasons completely unrelated to the best management and retention strategies.

The ideas identified in the first parts of this series are easy to describe – tough to implement. Each of the topics could be explored in its own series of articles. But to conclude the series with a practical application that addresses many of the factors, here are some guidelines for a “Retention Interview.”

Retention Interview

I will make a somewhat dangerous assumption here – that a new employee, clearly a potential peak performer, has been hired based on performance-based principles not on his or her ability to just “get the job.”

The person has started the new job with clear expectations of what it will take to succeed and with the talent and “energy” to be successful. It’s a bold assumption given the clear need for better hiring procedures in many organizations.

However, given this assumption, managers should sit down with a new employee – within the first two to four weeks, and conduct a “Retention Interview.” Based on the different areas covered, the interview could be conducted over multiple sessions provided some in-depth relationship building between the manager and the employee.

The employee’s direct supervisor, usually a Manager, should always be the one conducting the process. This is not a Human Resources function – although HR could benefit from collection of the responses from the interviews.

Recognition Questions

1. During the hiring process, we discussed significant accomplishments in your previous positions. How were you recognized for these accomplishments? Which forms of recognition did you like the most? Was there any recognition that you did not want?
2. What kind of recognition would you like to receive for results and efforts that meet the performance objectives we have set for you?
3. What about for results that exceed these expectations?

Feedback Questions

1. Describe for me a specific situation where you received positive feedback about your performance. How was it delivered? How did you feel about the way it was delivered?

2. What about a specific situation where you received “constructive feedback (criticism) on your performance? How was it delivered? How did you feel about the way it was delivered?
3. On a day-to-day basis, how do want to receive feedback about your performance?

It should be obvious but it’s important to record this information – to create a “Retention Profile” for the employee.

Training/Learning Questions

1. What are your development goals in terms of learning/training for your position? Outside of your work? What are your daily (or weekly) learning goals?
2. How are you expecting the company to support these goals?
3. What do you see as your role in promoting learning/training for your colleagues/subordinates?

Organizational Culture Questions

1. What’s one thing about this job, this company, which is likely the strongest factor that would influence your decision to continue to work here?
2. What’s one thing about this job, this company, which is most likely to influence you to leave?
3. What are the things you’ve learned in your first few days, weeks, here that are impacting how you need to act “to fit in?”

Expectation Questions

Note: While there is an element of “expectations” that can be addressed during this early “Retention Interview,” there is the caution note above that it’s based on clear expectations presented as part of a performance-based hiring process. It’s also a component that might come after 6-12 months – when expectations should be reviewed regularly.

1. How have the expectations for your performance compared to what was presented to you as part of the hiring process? As part of your orientation (or on-boarding)?
2. How have the expectations for your performance changed during the first six months? First year?
3. If you could change a key element of your job in terms of expectations, what would it be?

If organizations are going to improve their rates of retention, particularly for top performing employees, if they're going to more effectively address the "quit and stay" problem with employees that are no longer motivated to meet expectations in today's work environment, the work of retention is going to have to be taken more seriously. They're going to have to develop a more structured approach that respects the complexity – and even the unknowns – of retention.