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"Achieving Excellence"
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Creating Individual and Organizational Excellence via Leadership Development, Management Development, Mentoring, Coaching, Team Building, Skill Building

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In This Issue:

Welcome

Welcome to the January issue of "Achieving Excellence" which is inspired by clients and friends of Seventeen Gorman Advisors. We enjoy new ways of thinking and new ways of helping you achieve your goals.

Seventeen Gorman Advisors is a consulting practice focused on improving individual and organizational performance through skill building programs and developmental services.

Our approach to problem solving and issue resolution involves client participation at all points in the process. Above all, we listen to our clients to understand their needs and goals so that the solution we develop together - as true partners - provides a sustainable business advantage.

Best Regards,

Jeffrey C. Leventry
Principal

In Your Quest For Excellence

"Employee retention is not preventing people from leaving. Employee retention is giving them reasons to stay. Anca Larsen ***(Chief Web Officer at NaviPartner)***

Advice for Boosting Employee Retention in Today's Business Climate

Over the past year, I have noticed that many of my coaching conversations involve employees who are seeking new opportunities for a myriad of reasons that run the gamut from compensation dissatisfaction to lack of recognition or career growth at their current firm. A July 2024 article by the Gallup organization (Corey Tatel and Ben Wigert) indicates that “half of U.S. employees are watching or actively seeking a new job, continuing a recent upward trend.” They further suggest that “employees’ long-term commitment to their organizations is currently the lowest it has been in nine years.”

These trends point to an alarming reality for many organizations. The good news is that many of these situations are preventable if employers take a more proactive approach to understanding the reasons employees leave firms, and then implement practices that are specifically designed to retain valued employees.

What are the main reasons employees leave their jobs?

We need to assess the underlying impetus for employee turnover because it costs businesses a significant amount of money. The cost of employee turnover not only includes direct costs (such as the cost associated with hiring a replacement) but also indirect costs (such as a reduction in team productivity following the employee’s departure). Estimates of these costs range from 40% of an entry-level employee’s salary, to as much as 200% of the salary for a Manager or Leader.

Although the prevailing literature on the topic of employee turnover causation provides numerous employee motivations, I find the reasons articulated by Michele McGovern particularly insightful and worthy of further consideration. In her December 20, 2024, article published in HR Morning, Michele offers four primary reasons employees quit their organizations, including the following:

- **Get Out** – Employees who want to get out, cannot see a way to thrive in their job or feel like they are in a dead-end position and are not supported or challenged. The Manager can play an important role in this situation, and has many tools that can be used to remedy this issue, including job enlargement, job enrichment and / or job rotation.

- **Regain Control** – Some employees quit to regain control because they feel overwhelmed in some aspect of their life – either the work part or the personal life part. Maintaining open lines of communication between the employee and the Manager can often address this issue and lead to a more manageable situation for the employee.
- **Regain Alignment** – Employees who leave the organization usually feel like their employer does not value their experience, knowledge or expertise. They are thus looking for an opportunity or role where they can use their skills more fully, while being respected and acknowledged for their contributions. A company's rewards and recognition program can be a useful tool (and first step) to successfully tackle this issue.
- **Take the Next Step** – Those who wish to take the next step have usually reached a career or life milestone and desire an exciting place to take on more responsibility and move up the career ladder. For employees who have demonstrated their knowledge and expertise to the organization, there are many approaches that can help deal with this issue. For example, they can be asked to serve as a subject matter expert and instruct other employees as part of the firm's professional development program. Others who wish to advance their careers should be evaluated for promotional opportunities if they are ready to assume greater responsibilities and expand their span of control as Managers or Leaders in the organization.

What can be done to retain valued employees?

The reality in today's business environment is that not all employees should be retained, and limited turnover for employees whose performance does not meet performance standards is both normal and warranted. Once the year-end Performance Review has been conducted, the Manager is in an excellent position to determine which employees add value and thus should be retained, and which ones should either be reassigned to other responsibilities or encouraged to seek opportunities outside of the firm.

For those who are valued, there are many approaches that leading companies use with great success to retain their services. These are called employee retention best practices and include the following:

- **Better Recruiting and Hiring Practices** – Retention starts up front with the selection and hiring of the right employees. Managers should be trained how to conduct effective interviews that include an understanding of both situational and behavioral interview questions. They should also be taught how to evaluate candidates for both job fit and culture fit, so new hires possess the right skills and the ability to thrive in their new corporate culture.
- **Enhanced Onboarding Programs** – Firms can jump-start employee performance by implementing comprehensive onboarding programs that prepare new hires for a positive and productive work experience. A multi-day agenda should include an introduction to the firm's policies, procedures and culture. It should also establish performance expectations and explain how performance is evaluated and rewarded in the new organization. Company benefits should also be discussed so employees can enroll in programs that meet their personal needs and take advantage of perks that are offered by the company such as fitness

centers, employee discount programs, childcare assistance, tuition reimbursement and corporate cafeteria plans.
- **Competitive Compensation Plans** – Organizations should conduct regular salary surveys to ensure they are paying a competitive wage and offering benefit plans that are comprehensive in both scope and variety. For example, is paying a "market rate" acceptable or should the firm pay "above market" to attract and retain the best talent? They should also ensure that Managers are trained how to conduct effective performance evaluations that tie compensation decisions to good performance. Routine conversations with employees about their pay trajectory are equally important to assure they feel valued and understand how top-notch performance translates into compensation success.
- **Excellent Rewards and Recognition Programs** – Companies should make certain that rewards and recognition programs supplement compensation plans and offer employees an effective way to be recognized for their accomplishments. The best firms utilize gift cards, company merchandise, additional time off, spot bonuses, newsletters and other approaches to ensure that top performers who achieve business success are valued and appreciated.
- **Effective Coaching and Professional Development** – Managers play a key role in engaging employees and preventing turnover. Ongoing and meaningful conversations about issues that impact job satisfaction, performance and career advancement are essential to developing and retaining top talent at the firm. Additionally, employees need to be apprised of professional development opportunities that are available at the firm, and encouraged to participate in those that support their ongoing career development plan. As appropriate, mentoring programs, special assignments and management / leadership development programs should be considered for employees who show the aptitude, interest and ability to benefit from them.
- **Strategic Job and Work Flexibility** – In todays' business environment, Managers need the ability to offer valued employees flexible work arrangements that support both business and employee needs. Whether these include work-from-home or flexible work schedules (such as flextime or a compressed work week), they are a valued benefit that enhances job satisfaction and employee engagement for those who take advantage of them. In many cases these approaches also yield more effective employees who replace commuting time with productive work time.

What are the tangible benefits of employee retention?

The evidence is clear that firms who invest in their employees and take the necessary steps to retain their valued employees reap multiple positive organizational benefits. All of these combine to support an improved bottom line that fuels a competitive advantage in the firm's industry.

In my experience, the tangible benefits that accrue to such firms are as follows:

- **Decreased turnover and absenteeism**
- **Reduced recruiting, hiring and training costs**
- **Enhanced engagement, employee satisfaction and commitment to work**
- **Improved individual and organizational performance**

- Better productivity, both individually and collectively
- Stronger company culture that can be sustained over time
- Retained institutional knowledge about strategy, operations and customers
- Improved customer experiences that fuel long-term revenue growth

The Challenge

In conclusion, implementing effective employee retention best practices positions the enterprise to thrive in today's volatile business climate, and can often help sustain the organization when the economic environment declines.

If your firm does not have a good track record for employee retention, what is stopping you from taking steps to improve this important organizational imperative so that you reap the tangible benefits, both short-term and long-term?

If you are interested in enhancing your performance in this area to achieve better business results, please contact me at jeff@17gormanadvisors.com so we can discuss approaches that may work well for you.

How Return to Work Policies Are Impacting Employees in 2024

by Kara Dennison
July 10, 2024

Kara Dennison, SPHR, CPRW, EC is an Executive Career & Leadership Coach and Organizational Strategy Consultant who writes about career advancement, leadership, job searching, employee engagement, corporate culture, and the future of work.

The following article provides valuable insight into an issue that is closely related to my article about employee retention.

How RTO Policies are Affecting Employees in 2024

A recent survey from ResumeBuilder found that 8 in 10 employers lost talent to return-to-office mandates. This has been a hugely debated topic in the business world post-COVID, as companies and their workers strive to find common ground with a preferred working arrangement. Top performers have quit, and there are growing concerns that leaders imposing RTO policies have hidden motives. These motives are hurting office dynamics, harming employee satisfaction, and, as a result, limiting the success of the organizations implementing them.

The Hidden Agenda Behind RTO Mandates

As the world slowly emerged from the COVID-19 pandemic, many organizations began to put in place return-to-office policies. These policies forced workers to come back to the office five days a week. It started as a trickle in 2022, but it soon became a wave. Major companies like UPS, Boeing, and JPMorgan Chase made headlines with their RTO mandates. However, this trend is far from universal. A 2024 report by Flex Index said that 82% of Fortune 500 companies still offer flexible work. Only 18% require full-time in-office work.

The push for RTO has many drivers. These include the desire to boost collaboration, maintain company culture, and increase productivity. However, RTO policies have not been without controversy. They often lead to friction between employers and employees, largely because employees have grown used to the benefits of remote work.

One of the most striking assertions from recent studies is the use of RTO mandates as a smokescreen for reducing the workforce. A survey by BambooHR found that a quarter of VP and C-suite executives and a fifth of HR pros admitted to hoping for voluntary turnover after implementing a return-to-office policy. This strategy was not explicitly communicated internally or externally. Industry observers say it could be viewed as "back-channel layoffs."

The survey also found that companies may have anticipated a higher voluntary turnover rate with the RTO mandates, with 37% of leaders believing their organizations began layoffs in the past year due to fewer employees than expected quitting. This way of downsizing has raised ethical questions. It also raises concerns about the long-term impact on employee trust and company culture.

RTO Mandates: A Yardstick for Measuring Productivity

For many organizations, the transition back to office work has been met with resistance from employees. Remote work offers employees flexibility and work-life balance. Flexibility and work-life balance have become highly valued among today's professionals. BambooHR’s 2024 Return to Work report shows that 90% of workers who prefer remote work cite these factors as primary reasons. Also, 51% of remote work supporters say it helps them with family duties. Up to 74% of respondents enjoy not commuting daily. However, with RTO mandates, it felt like companies didn't consider their employees' needs. Indeed, 70% of companies with flexible work schedules surveyed plan to increase the days employees must work in the office by 2025. However, some companies fear this may weaken their leadership bench and hinder succession planning.

In the face of this conundrum, a different work culture is gradually surfacing. This new culture is one that is void of trust and confidence in the employees themselves. Most CEOs feel they have a good reason to defend this. They point to productivity as the main reason for workers to return to offices. According to CEOs, employees aren’t as productive as they are when managers monitor them at their desks.

This pressure to return to the office has given rise to a phenomenon known as the "Green Status Effect." It refers to the tendency of remote workers to keep their messaging apps always open. This displays an "active" status to imply constant work. Nearly two-thirds (64%) of remote workers admit to this. Remote workers feel pressure to maintain this constant online presence, even when not working.

Within the office, employees also feel pressured to demonstrate productivity. About 42% of employees surveyed admitted to showing up at work just to be seen by their boss or manager. Many also report walking around the office just to be seen (37%). Others plan meetings with in-office colleagues (35%) to aid in office visibility. Some even adjust their schedules to arrive earlier or leave later than their managers (33%). These actions reflect a growing pressure on employees and the culture is training employees to "show" productivity and presence, regardless of actual output.

The Impact on Productivity and Work Quality

In a globally distributed team, establishing a performative culture, whether in-person or remote, can make workers feel micromanaged. Micromanagement drives down employee engagement levels. Based on these findings, executives need to rethink their management philosophy. It should aim for outcomes, not just visibility.

Despite the push for RTO. The data does not support the belief that in-person work is more productive. According to the same survey from BambooHR, both in-office and remote workers report spending about 76% of a typical 9-to-5 shift actively working. Workers spend the rest of their time on non-work activities. In fact, in-office workers tend to spend around one hour more socializing than their remote counterparts. This implies that the intense need to demonstrate presence won’t make any difference on the bottom line. Essentially, it could hurt it.

That's why leadership and HR should reevaluate their policies and look for ways to measure efficiency and productivity, creating a culture focused on realistic results, rather than focusing on vague expectations of visibility and perpetuating a performative culture. As 22% of HR professionals have already admitted to not having any metric in place to measure the success of their RTO policies, this should be prioritized before lasting cultural damage is done.

Bridging The Divide: The Challenge of Hybrid Work Environments

A big challenge for organizations in the post-pandemic era is connecting remote/hybrid workers with their in-office peers. More than two in five (44%) hybrid/in-office employees say they have a weaker relationship with remote colleagues. They are closer to the ones they see in the office. Since the implementation of RTO mandates, 26% of workers say a greater divide has developed between remote and non-remote workers.

This growing divide creates serious challenges. It harms team cohesion, collaboration, and company culture. Organizations must find new ways to connect employees. They must ensure equal opportunities for all, no matter where they work.

The Role of Compensation in the RTO Debate

While work location is a crucial factor in employee satisfaction, compensation remains a primary concern. The BambooHR Employee Happiness Index reports show that employee happiness hit an all-time low at the end of 2023. Compensation in comparison to inflation was the biggest influence on workplace happiness for 59% of employees.

The RTO mandate has added another layer to the compensation debate. Plus, 43% of surveyed workers said their employers have asked more employees to come in person, with no offers to increase pay. This disconnect has increased expenses for employees without compensating them, putting more hardship on the employees during a particularly tough economic period. This continues to further distrust and resentment among employees.

Top RTO Strategies to Keep in Mind

Understanding and accommodating diverse employee needs and preferences regarding work location is crucial. One size does not fit all any longer.

Accepting individual preferences

To find what works for your organization, try conducting surveys or small focus group discussions to gain employee feedback. Companies should recognize that employees have varying circumstances. Some thrive in an office, while others are more productive at home. Factors like commute time, family responsibilities, and personal work styles should be considered. Tailoring solutions to individual needs can not only help raise employee satisfaction and retention but will also allow your organization to hire the best, top talent, instead of just the best talent that happens to be within a 30-mile radius.

Transparent and clear communication

Transparency is key when implementing RTO policies. Organizations that clearly explain why they make decisions foster better collaboration, maintain company culture, and are better able to meet workers' needs. Equally important is defining how the success of these policies will be measured. This might include productivity metrics, employee satisfaction scores, or team collaboration indicators. Regular updates and open forums for feedback can help keep trust. They can also address concerns early.

Provide flexibility

Offering hybrid options provides a middle ground that can satisfy both employer and employee needs. This could include in-office days for team meetings and projects, balanced with remote work days for focused tasks. Flexibility might also apply to working hours. This lets employees adjust schedules to personal needs but also ensures core hours when the team is available.

Create equitable policies

Workforces are more distributed now. It's crucial to ensure that all employees have equal opportunities, no matter where they work. This includes fair consideration for promotions, participation in important meetings and decisions, and equal access to professional growth. Managers should be trained to avoid proximity bias, as they may unintentionally favor in-office workers over remote ones.

Invest in technology

Companies need to invest in technology that enables seamless collaboration to support a hybrid work model. This goes beyond basic video tools and includes project software, virtual whiteboards, and platforms for asynchronous communication. The goal is to make a digital workspace as effective as a physical one. It should let remote workers fully contribute and stay connected with their in-office colleagues.

Focus on culture-building

Maintaining a strong company culture in a distributed work environment requires intentional effort. This might involve online team-building. It might include all-hands meetings. Or, it might involve making digital spaces for casual chat. Companies should focus on strengthening core values. They should also foster a sense of belonging that isn't tied to physical proximity. Recognition programs, mentorship opportunities, and cross-functional projects can help build connections. They do so across different work modes.

Consider compensation adjustments

RTO can greatly impact employees' finances. It can raise commuting and childcare costs as well as work-related purchases. Companies should consider these factors when setting compensation. This might include pay adjustments based on location. It could also include commuter benefits or stipends for home offices. It's also important to ensure that pay stays fair. This is true for both in-office and remote workers. The focus should be on value and output, not physical presence.

Embracing Flexibility and Employee-Centric Approaches

Businesses face the complexities of the post-pandemic workplace. A one-size-fits-all approach to RTO is unlikely to work. The most successful companies embrace openness, not oversight. They move away from micromanagement to an environment that values and implements employee feedback.

We live in a changing environment, and many workers deal with increasing mental and emotional burdens. Only companies that are open, communicative, and trust their employees will win their employees’ trust and loyalty. This mutual trust that we’re seeing be broken across corporate America through this debate is what’s needed to bring together organizations and their employees, and what will lead to continued success.

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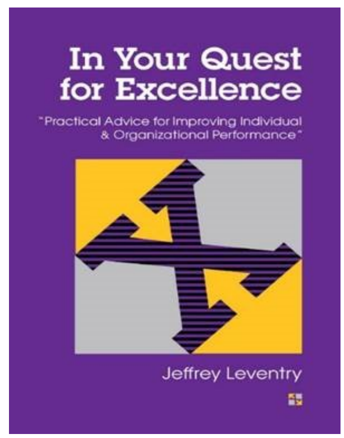

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