Attract and Retain Top Talent

By Julie Hagan Porter

October 2010 marked the first time in 15 months that the number of resignations in a month surpassed the number of layoffs, a strong indication that the economy is beginning to recover. Though we all want a healthy economy, managers must come to terms with the fact that an improving economy leads to greater turnover. That's why the two most important things a manager can do in 2011 are (1) retain the most talented workers in their department or team and (2) spend an equal amount of time preparing for turnover.

Most employee turnover can actually be prevented. The key to a successful retention effort is to focus on your top performers. It's more than likely that your best workers are being wooed aggressively by recruiters and competitors—or they're savvy enough to stay aware of their value in today's job market. Managers need to validate to these workers that staying at their current job is the best decision for their career.

Yet even with the best retention efforts, resignations will happen. When they do, managers need to be prepared to respond quickly and fill the position with a high-quality candidate. That's why managers must be as aggressive in attracting the best candidates as they are in retaining top talent. This strategy keeps turnover low and helps build your reputation as an employer of choice. Let's take a look at how to build such a strategy.

Retaining Your Best Workers

Employee turnover can cost your department and your organization a lot of money. When you consider downtime, recruiting activity, interviewing, onboarding, and ramp-up time, replacing an entry-level position typically costs 50% to 100% of the employee's salary. A manager or executive-level position can cost you up to 200% of the individual's salary!

Take a close look at your finance and accounting teams—which employees would create the biggest void if they left? Also consider if there are employees who contribute to the engagement or overall success of these top performers. If there's a way to manage turnover among these employees…it's worth it! Here are some tips to bolster your retention efforts.

Find out who is happy, who is unhappy, and who is hostile

A truth you must face about retention is that some of your employees will leave because of low morale from the recession or frustrations with how slow the recovery is progressing. Managers must accept that they don't have control over some of the factors that lead to low morale. There also are employees who feel overworked, unheard, left out of the loop, or underappreciated. Some wounds can't be healed, and a disengaged or hostile employee is better out of the department than in.

Discovering how your employees feel isn't easy. Be careful: Don't assume you know the answer! Recent surveys—including MetLife's 9th Annual Study of Employee Benefits Trends, American Psychological Association's 2011 study, Glassdoor.com's Q1 2011 survey, and studies from CareerBuilder.com and MarketTools.com—found employee satisfaction levels at a three-year low while, at the same time, employers believed that employee satisfaction had returned to the level it was before the recession.

The most effective way for a manager to uncover the truth about their employees' level of engagement is to simply ask. Employee surveys can help give you some insight, but an informal, genuine conversation is more effective. Besides, many organizations have no formal employee survey or engagement process (72% of employees reported that their organization has no program for assessing or managing worker engagement). Avoid asking employees if they are looking for another job or planning to leave. Instead, acknowledge that it has been a challenging time and express how much you appreciate them. Explain that your goal is to become an employer of choice and to make your department an exciting place to work and that you want their input on how to achieve this.

Have one-on-one sessions, beginning with your top performers

Meeting with each employee individually is time-consuming and difficult to accomplish while everyone is still working on all cylinders, but managers must make the time right away—whether you take each direct report to lunch or dinner or have a sit-down one-on-one meeting at the office.

When you schedule the meeting, give your employees some questions to consider ahead of time:

- How can I/we improve your work environment?
- How can I/we lower your stress at work?
- How can I/we improve your work/life balance?
- What opportunities can we identify for career advancement?

At the meeting, open the conversation with acceptance. You know they've been working hard. You know they are probably unhappy about the low morale, the stressful environment, extra work, etc. Then let them know you value them and want them to be part of the exciting future of the team, department, or company. (If this isn't true for any of your employees, that's a signal to expedite a process for replacement or movement to another department where the individual will be more successful—there is nothing more destructive than an unhappy employee who isn't wanted; it will poison your work environment.)

Discuss the responses the worker has to the questions you provided prior to the meeting. Be ready: They will likely ask for a raise. Make certain you are prepared to

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discuss this topic, but ask if it's okay for the conversation to begin by covering other issues. Money can't be the only issue they're concerned about. Is everything else perfect except their paycheck? What else can be implemented right away? What else can be part of a short-term and long-term plan to make this job something the employee is passionate about, something that gets them up in the morning with anticipation?

Proactively reaching out will build stronger teams and a stronger organization.

Commit to regular department meetings

Department meetings let employees air their grievances and receive relevant department and organizational news from management. If you're an executive, you may want to have mid-level managers host weekly meetings with their teams so that employees won't be afraid to speak up in the presence of executive decision makers, but be sure to hold monthly meetings for all teams that report to you so that employees feel they have direct access to "the top" and are important enough to receive your time and attention. When an executive-level leader is going to be present, allow employees to share their questions, comments, and grievances anonymously via e-mail or paper submissions. A moderator can read the submitted issues or comments, and the audience can hear honest reaction and responses from the executive leader. If you're a mid-level manager, encourage your executives to adopt this plan. If you don't have executive buy-in, then focus on what's within your control and be sure to have regular team meetings.

These team meetings are for worker engagement purposes only and must provide a safe environment. People want to be heard. They may be upset with the way decisions were made during the recession. Managers or executive leaders should never be defensive during these meetings—instead, they should be sympathetic and supportive. The focus of the meeting must be "What can we do now?" "What did we do right, and what could we have done better?" and "What can we learn for the future?"

Although it will be important that questions are answered with humility and honesty (and *not* frustration, excuses, defensiveness, or anger), the conversation must move in the direction of what the team and its leaders can do to help set the department and organization on the right path for everyone involved, i.e., what can be done to reignite the team.

Take suggestions seriously, and commit to implementing a plan that will allow any feasible ideas or suggestions to be rolled out over the course of an appropriate timeline.

Get on the offense

Your goal for 2011 should be to become an employer of choice, to become an exciting company to work for. You want the finance and accounting department to have a reputation within networking circles. When finance professionals compare work environments, your employees should be proud of the difference between where they work and elsewhere. You can immediately differentiate your department by getting off the defense and transitioning to the offense! Your *retention* strategy will actually become an integral part of your *recruitment* strategy.

There's a growing trend of finance executives and managers implementing steps to shield their top performers from recruiters. They are enforcing restrictions on access to social media sites at work, restricting participation in networking opportunities during the workday, and continuing to protect the budget by enforcing "one size fits all" rules for the work environment (i.e., exceptions are never made for one department or one worker because it wouldn't be "fair" to other coworkers in the company).

Stop spending energy trying to enforce rules. Instead, empower your employees to create working conditions that they'll never want to leave. Face it: Social media sites can be accessed on today's smart phones; limiting involvement in networking organizations actually hampers your worker's ability to grow professionally; and trying to be "fair" limits your chance to treat workers individually and provide special considerations unique to their quality of life. You can still set parameters for new workers to ensure that their skills and talents are being fully utilized, but increase their freedoms once they achieve certain successes and on tenure milestones.

Managers fear that empowerment and freedom will allow distractions to fill the work environment. Take the time and energy you would spend enforcing restrictions to create methods that ensure certain outcomes are met each day and each week. If your team can accomplish its objectives within a work environment that they perceive as empowering, you will quickly become an employer of choice!

Be fair and competitive with salaries

There it is. The dreaded "s" word: salary. It can't be ignored. This is a delicate topic, but it would be irresponsible to not mention the importance of salary increases for top performers in 2011. It can't be overstated that an increase in salaries beats an increase in hiring costs! Now is the time to be aggressive with salary increases for your most valuable workers. The increase you offer will make less of an impact on your organization's budget than the capital required to replace that top performer.

Yes, some top performers will ask for a raise. They may know how valuable they are and consistently apply pressure for increases. Don't be bullied; get tips from HR or your recruiter on how to reward employees monetarily, but also find ways to make other adjustments to the work environment that will help them feel valued. The goal is to maintain mutual respect between you and your top performers. If an employee continues to push for a raise after already being compensated fairly, check for signs that the individual is "disengaged" in his or her work.

You might also have top performers who aren't "the type" to complain or ask for special considerations. Make it a point to reward these individuals with competitive salaries and be proactive with increases. Let them know you researched salaries and want to compensate them for performing with excellence. This builds trust and shows them you have their best interests in mind.

Position your team for success

Encourage leadership and career growth. Make sure your top performers are mentoring other professionals in your department and in the industry via internal leadership programs, online blogs, or association events. Not only will this further develop your top performers into industry leaders, but their connection with other professionals within your industry will help brand your organization as a desired place to work.

Recruiting the Best Workers

Always be prepared to hire. As mentioned, people will leave your team no matter how effective your retention efforts. The majority of turnover from the last two years was involuntary, and everyone who *did* have a job bunkered down in the safety of employment. As the economy recovers, that leaves a lot of people who are ready to move on. More people will change jobs in 2011 than in the past two years combined. Make sure your Human Resources or Talent Acquisition department is fully staffed and prepared for necessary replacement activity. Many Talent Acquisition departments are tapping into their recruitment business partners and staffing firms to help with the shuffling of employees.

It's natural for people to find opportunities that will help them advance in their career. If an employee truly finds a great opportunity, congratulate them. Then immediately fill the open position with one of the many quality professionals within your network. Be in constant connection with top performers who don't work for you, or stay connected with the people who have access to these top performers. Here's what you can do.

Become actively involved in an association

If you're reading this *Strategic Finance* article, there's a good chance you're an active member of IMA®. If you wouldn't describe yourself as "active," then get involved locally. It can be difficult to devote time to an outside organization, but the investment of time is well worth it. You can't be an employer of choice without having first-hand knowledge of the trends in the finance and accounting industry. A professional association also gives you a pipeline and network of people who can help you reach out to potential employees when an opening becomes available in your department.

Get connected online

There are several social networking sites and blogs that can keep you well-connected and updated on industry trends. By far, the most common online tool used for networking and recruiting by accountants and financial professionals is LinkedIn. If you haven't created a LinkedIn profile, now is the time. It doesn't take long. Make sure you upload a professional photograph and your basic information. If you're new to networking online, keep it simple to start with, and then learn more tools and tricks to enhance your networking and recruiting capabilities.

Establish (brand) your department and/or organization as an employer of choice

One of the final steps in becoming an employer of choice is to let others know about your organization. There are a variety of ways, but the most successful is contributing online content. Post comments to online articles, or provide content for newsletters and blogs. If you aren't savvy at this, it's a perfect project for one of your top performers with a strength in communication or writing. Don't make the mistake of thinking blogging and social media branding is only for national companies or large organizations. It's the perfect platform for midsize and locally owned companies as well.

Share information about how you built a successful work environment. Provide tips on what you look for when hiring and how you manage others. Don't treat newsletters or online blogging as an advertisement. The content should offer valuable information to both passive and active job seekers, not just a company plug. You want the reader to come back to you for more information, which leads to more networking opportunities and a broader pipeline. Make your topics as specific as possible so your readers have a direct takeaway. Online excerpts are often no more than a paragraph of text.

Actively recruit with very specific advertisements

When the time comes to fill an open position, be very specific about what it takes to be a top performer in that position—the skills, knowledge, experience, and personal characteristics—and don't settle for anything less from a potential candidate.

Typically, only 16% of the workforce is actively in transition. This means that four-fifths of potential employees are employed. In order to recruit them, you have to convince them to change jobs. For this reason, advertise both publicly and privately. A recruiter can help you privately connect with passive candidates who are currently working and are difficult to reach through traditional recruiting methods. Your active participation in associations and social networking sites should also give you access to enough connections and help you get the word out about the candidate you're seeking.

The job description and advertisement you create need to include a specific list of qualifications with your job posting, but don't be surprised if your list is ignored. You'll be overwhelmed with applicants if you don't create a very clear roadmap for successful candidates. It's helpful to state that candidates won't be interviewed for the position if they fail to meet one of the requirements. You may also find benefit in warning applicants that they won't be considered for future positions at your company if they apply despite failing to meet a stated requirement. You'll also want your announcement to tell applicants that they will need to pass a pre-screening test to ensure qualification. A pre-screening test can involve an online skills assessment, or it can be as simple as three questions that a pre-screener can ask to confirm an applicant's qualifications.

A recent CareerBuilder.com survey showed that 33% of managers network on social media sites, 23% use social media for their recruitment ads, and 19% use it for brand advertising. Don't be afraid to advertise your position via traditional career posting sites as well as social networking sites.

The Time Is Now

The job market in the late 1990s was similar to today's circumstances. Companies that were losing employees started to offer concierge services and hiring bonuses in a mad scramble to retain employees and recruit new ones. This trend has already started to come back as the job market continues to improve. This time around, however, it's expected that companies will also try to deal with more nuanced employee requests, such as lowering stress at work, improving work/life balance, and creating more opportunities for career advancement within the company. Accounting and finance departments that implement aggressive *retention* and *recruiting* efforts within the next three months will be the ones experiencing far less turnover than the national average. **SF**

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