

## **Dealing with staff turnover – a case study on getting and keeping the right people**

This case study looks at the experience of a high tech organisation that aimed to improve its staff retention.. A range of interventions were used, including training provided by Acas. This has helped to instil positive behaviours to help develop workplace practices and boost productivity.<sup>1</sup>

### **Background**

The organisation is a growing high tech SME that currently have a workforce of just over one hundred directly employed staff. They also have a Recruitment and Training Manager to assist in the management of their personnel and to achieve their goals through its handling of recruitment, training, mentoring and motivating staff.

Operating in a highly competitive market in which there is intense competition for labour, sales staff are particularly transient. For the organisation workplace effectiveness is about:

“Having happy profitable people who are enjoying their jobs and stay with us. It’s about the relationship between management and staff at every level.” (Recruitment and Training Manager)

Reducing turnover has been a priority for improving workforce effectiveness:

“The dissatisfaction with employee retention was the driver. Everything else stemmed down from that”. (Recruitment and Training Manager)

### **Issues facing the business**

A high rate of staff turnover has been a persistent issue for the organisation. Identification of the problem dated back to 2013 when middle management held a day’s meeting to share their concerns. The high workforce churn was particularly prevalent amongst sales staff (who form over 30 per cent of the workforce) though it was also a feature of other roles. It was proving expensive to fund turnover, given that the cost of recruiting, training and equipping an employee was estimated by the company to be around £3,000. Poor retention was also proving a barrier to the company’s desire to grow.

“I think that we have always been dissatisfied with the level of retention... As we recruited more managers with wider experience of different industries they emphasised that we were right to be dissatisfied”. (Recruitment and Training Manager)



Following the 2013 meeting, senior managers engaged with members of staff on an anonymous basis. A Team Leader for one of the organisation's departments took the lead and all members of staff were invited to send their anonymised written feedback to him. Subsequently senior managers undertook a 'fishbone analysis' of staff feedback, exploring all the potential causes of the high rate of turnover.

This identified a number of issues that needed to be addressed in order to improve staff retention. These included better conflict management, greater manager-employee engagement and relationship building. Managers needed to develop their listening skills, approachability and responsiveness; and the ability to diffuse workplace tensions, tailoring their responses to varying circumstances. Staff felt that there needed to be greater fairness and respect in the workplace, as bullying and intimidating behaviours were prevalent. The tensions appeared to be inter-departmental rather than top down. For example, there was a concern about unreasonable line management pressure to hit targets. Staff perceived that managers needed to be able to recognise individual staff experiences and needs, rather than having a one size fits all approach to responding to issues. Alongside the issue of targets there was a feeling that managers needed to display greater understanding of people's strengths, weaknesses and abilities when assigning them to sales jobs. More generally there needed to be greater line management support for coaching and developing staff across the organisation.

As the organisation had grown, so had the number of managers; but what was lacking was formal leadership training. It was felt that too much was taken for granted vis-à-vis management background and experience. The organisation needed to look at what skills managers actually had. There was widespread management support for a development workshop that would give senior and middle managers the opportunity to gain a better understanding of core practical management skills relating to mediation of conflict and a collaborative approach to problem-solving.

"We are very proud of the way that the management team acknowledged this ... There was a desire to improve things". (Recruitment and Training Manager)

This positive attitude towards, and enthusiasm for, engaging with some difficult issues, reflected the organisation's adherence to a Hoshin Kanri strategic approach which was a feature of the company's lean management and continuous improvement tool-kit. Hoshin Kanri is a Japanese management term engaging with four key elements of business management, namely: vision, policy development, policy deployment and policy control. It is directly linked to 'Total Quality Management' and is an approach that requires detailed planning, targeted benchmarking and the effective and systematic use of continuous improvement tools at all levels of the workforce.<sup>2</sup>

The organisation benchmarked its business management practices against those of blue chip companies. In the spirit of continuous improvement, they then drew on the support of several training providers to deliver on the desired improvement in core skills, including Acas. The



organisation approached Acas, due to its experience in advising on performance management and workplace relationships. In July 2013 an Acas adviser ran an initial line management training course on appraisals.

“We sat down and realised that no one had ever had any formal appraisal training; in terms of paper work, response, help for people who were struggling”. (Recruitment and Training Manager)

The same adviser then helped devise and facilitate a two day management skills workshop. Representing a fairly small financial investment for the company, the workshop programme focussed on conflict management, avoiding confrontation, promoting respect, listening skills and achieving a ‘win-win’ outcome. The workshop involved four senior and three line managers who felt that the adviser was extremely responsive to the organisation’s needs:

“She received accolade and praise from every single person at the meeting. [She] was brilliant, effective, succinct and precise. Would we use her again? Absolutely”. (Recruitment and Training Manager)

### **Other initiatives**

As implied above, the organisation has been seeking to foster best practice activity in other ways, with the assistance of external bodies and consultants and by benchmarking its practices against those of blue chip companies. In keeping with Hoshin Kanri principles of engaging all levels of the workforce, the company wants to roll-out a core skills programme, including: effective meetings, decision-making, root-cause analysis, detailed planning, situational management and leadership and conflict management.

Complementing the introduction of personal development reviews, the company has introduced a mentoring scheme. Staff adaptability is seen as particularly important for workforce effectiveness and the recruitment process now incorporates an online assessment and trial day. The online assessment aims to gauge the character and behavioural traits of potential staff, feeding into work to identify the characteristics of staff who remain with the organisation, compared with those who leave. The new staff mentors are building strong relationships with staff and this is showing early signs of feeding into company understanding of staff retention:

“People who are mentors have become more engaged in the business and why people leave”. (Recruitment and Training Manager)

Exit interviews are also being introduced and the plan is to involve staff mentors in these interviews.



Engaging with the desire to improve workforce morale, the organisation has emphasised team building activities. For example, extending a 'fun budget' across departments to reward performance. 'Good news' meetings now take place on Fridays. Senior management suggested that they lead the meetings, providing refreshments, and that the workforce should stop work at 4pm on Fridays in order to attend. The meetings provide an opportunity for colleague and customer feedback on staff whose performance was deserving of recognition. Rewards range from meals out to weekend breaks. There is also a greater focus on employee health and well-being in the company benefits package. For example, a health coach comes in to advise on diet and to run weekly fitness training programmes.

The organisation has also reviewed and developed corporate goals to ensure that they are aspirational and strategic and to ensure that everyone knows where the organisation is heading. To this end there was a commitment from everyone in the business, including the management team, for a team charter. The PRIDE charter includes **P**assion, **R**espect, **I**ntegrity, **D**iligence, **E**xpectations of Excellence. In addition, every new employee completes a three day customer engagement course, with a practical workbook and role play; so that they enter the business with clarity around what they are doing.

## Outcomes and challenges

Acas appraisals training supported the subsequent roll out of personal development reviews across the organisation; training which they would be interested in repeating in the future. A key benefit of engagement with Acas has been that it has helped the organisation to be more reflective in its approach to human resource management:

"It's made us think. It has made us change things and make us more conscious of the effects of not doing things". (Human Resource Manager)

"It focused our realisation that lots of things we were doing were bang on the money, but also what we needed to change and where, around conflict resolution and employee engagement". (Recruitment and Training Manager)

The organisation continues to see training as an investment. It spent nearly £300,000 on training in 2014-15 and plans to spend a similar amount in 2015-16.

The organisation perceives itself to have made considerable progress in developing its workplace practices, although progress on improving retention rates is slow:

"We are at a development stage in terms of altering, managing and improving our retention. We are not further away from where we should be, we are closer. Are we satisfied yet? No". (Recruitment and Training Manager)



The turnover of engineering and IT staff is static, but that of sales staff remains high.

“Someone has said that we are trying to fix something that we cannot fix but we have the stamina to persevere with our efforts. As a company we are a continual work in progress”. (Recruitment and Training Manager)

In the near future, they plan to roll out a core skills programme across their management tiers and they are keen to share their experiences, whilst learning from others.

#### Endnotes

- 1 This case study is based on interviews conducted by an independent researcher with a recruitment and training manager and a human resources manager at the organisation.
- 2 See Hutchins, D (2008) Hoshin Kanri: The Strategic Approach to Continuous Improvement. Aldershot: Gower Publishing.

