Need To Cut Employee Turnover? Use Finnegan’s Arrow

Dick Finnegan
Bring broad reach working with scores of US Companies and across 6 continents, with targeted retention and engagement techniques for many industries

Business-driven by translating turnover %s and survey scores to the language of CEOs which is Dollar$

Improved retention 20-70% based on our founder’s top-selling, industry-changing books

Endorsed by Chief Executive Magazine, Consulting Magazine, and BusinessWeek which said, “Offers fresh thinking for solving the turnover problem in any economy”
This is our time!

The biggest challenge these CEOs face every day... “attracting and retaining talent”
- Inc Magazine

Top thing CEOs worry about is “talent management”
- Harvard Business Review

“A record 47% of the workforce say now is a good time to find a quality job”
- Gallup

Top challenge last two years, “Retention”
- SHRM
Proven Approach That Cuts Turnover

- Indiana Manufacturing: 67%
- Florida Hospital Nurses: 70%
- Hilton's Call Centers: 50%

Case Studies Coming
U.S. Voluntary Quit Percentages, Post-Recession...

U.S. Bureau of Labor Statistics

Young U.S. workers will hold 10-14 jobs by age 38
Engagement Stuck... per Gallup/Deloitte

U.S. spends $1.53 Billion each year to improve engagement
FINNEGAN’S ARROW

Reduce Cost of Turnover

Improve Employee Engagement

Improve Revenue & Profitability

"Fresh thinking for solving the turnover problem in any economy"... *BusinessWeek*
Why Care About Turnover?

**TRUE**
CEO, our turnover is 22% and the benchmark is 23%

**or**
CEO, our turnover is 22% and it’s costing us $3.4 MM each year
Report Turnover in Dollar$.

Actual client turnover costs by job:

- Physician...$225,808
- Software engineer....$131,000
- Call center representative...$29,447
- Truck loader/unloader...$4,955

How Much Does It Cost to Lose A Key Driver? Mechanic? Salesperson?
My Two Images of CFOs

Do They Know the Value of Employee Retention & Engagement?
“Fresh thinking for solving the turnover problem in any economy”...BusinessWeek

- Reduce Cost of Turnover
- Improve Employee Engagement
- Improve Revenue & Profitability
Are Your Retention Efforts Driven by...

**Accountabilities**

Business Accountabilities are driven by executives from the top like sales, service, quality, & safety

**Programs**

Retention Programs are driven from the side like town hall meetings, employee appreciation week, newsletters

86% of the time
Supervisor’s Impact on Engagement & Retention

“If you have a turnover problem, look first to your managers”... *Gallup*

Employees stay for managers first and co-workers second... *salary.com*

Employees’ levels of engagement higher when their supervisors had higher levels of engagement... *DDI*

“When employees stay, it is because of their immediate managers”... *National Education Association*

Employees who stay primarily for their supervisors stay longer, perform better, and are more satisfied with their pay... *TalentKeepers*
The Real Power of Supervision

Kenexa interviewed 1,000 recently-quit employees and asked about pay, benefits, development, advancement and relationships with supervisors... and found supervisor relationships influenced all other opinions, concluding...

“Offering a higher salary or developmental/advancement opportunity may not be enough to retain employees”
Engagement Stuck... per Gallup/Deloitte

U.S. spends $1.53 Billion each year to improve engagement.
How much do managers influence their employees’ levels of engagement?

Data per Gallup
Introducing the Power of Trust
Why Was Your Best Boss
Your Best Boss?

Why Was Your Worst Boss
Your Worst Boss?
The Fortune Top 100
#1 2012-2016

Baby bonding bucks, 12 weeks paid parental leave, horseshoe pits, Africa volunteering, subsidized massages, 3 wellness centers, bike repair shop, 3 organic meals per day, artisan tea & coffee, 25 free cafeterias...and free eyebrow shaping
“Two-thirds of a company’s score is based on the results of the Great Place To Work’s Trust Index Survey”

“Any company can be a great place to work. Our approach is based on the major findings of 20 years of research – that trust between managers and employees is the primary defining characteristic of the very best workplaces.”

The Great Place to Work Institute
Building Trust 1-1 Builds Profits

Comparative Cumulative Stock Market Returns

- FORTUNE's 100 Best Companies to Work For®
- Russell 3000
- S&P 500

Great Workplaces provide 3x times the return

Cumulative Return

Source: Russell Investment Group
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One Big Lesson Learned

It’s not what you give them, it’s how you treat them...and first line supervisors most influence employees’ relationships with managers, colleagues, and duties.

*Insanity*: Doing the same thing over and over again and expecting different results.
Accountability

Establish two turnover goals:

✓ Reduce total annual turnover
✓ Reduce first-year new hire turnover
How To Achieve First-Year Turnover Goals?

3 Techniques to Hire Employees Who Stay
How Do Referrals Happen Today?

Direct correlation between % of referrals and retention
Realistic Job Previews

Demostrate the top 3 reasons employees quit & are fired...smack their senses!
Job Offers

• Offer is…
• Hope you accept but only if can see yourself here for __ years
• Cost to us if you leave before __ years is $__
• This is an ethical decision
• What time should I call you tomorrow?
FINNEGAN’S ARROW

DOLLARS | GOALS | Stay Interviews | FORECASTS | ACCOUNTABILITY

“Fresh thinking for solving the turnover problem in any economy”...BusinessWeek

Reduce Cost of Turnover
Improve Employee Engagement
Improve Revenue & Profitability
Stay Interviews

A Stay Interview is a **structured** discussion a **leader** conducts with each individual employee to learn the specific actions she must take to strengthen that employee’s engagement and retention with the organization.

**Stay Interviews...**

- Bring information that can be used **today**
- Focus on **individual employees** including top performers
- Put **managers** in the solution seat
Stay Interview Process Key Ingredients

- Conducted by supervisors vs. HR
- Separate from Performance Review
- Repeat at least 1X/yr for all existing employees / 2 times a year for new hires
- Create individual Stay Action Plans
- Managers Forecast Retention

Top-Selling SHRM-Published Book in History
Top-Down, Cascading Implementation

First
- Executives w/ Managers

Second
- Managers w/ Supervisors

Third
- Supervisors w/ Ind. Contributors

Time
Stay Interview 5 Questions

1. What do you look forward to each day when you commute to work?

2. What are you learning here? Want to learn?

3. Why do you stay here?

4. When is the last time you thought about leaving us? What prompted it?

5. What can I do to make your job better for you?
<table>
<thead>
<tr>
<th>Subject</th>
<th>Probes</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pay</strong></td>
<td>How much money do you think you should be making? Are your concerns about more than pay? Job? Colleagues? What skills can you build that would make you more valuable to our company?</td>
<td>Check employee’s pay against same-performing peers to verify it is right. Design development plan that is targeted toward a different role for more pay if employee has talent to qualify</td>
</tr>
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<td>Subject</td>
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</table>
| Development | If you could learn about one additional topic related to your job, what would that one topic be?  
How can I know that our plan is working, that you are learning what we both want you to learn? | Assign a mentor for a specific number of hours each week for a specific period of weeks  
Ask employee to identify relevant books and websites  
Recommend internal and/or external courses |
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<tr>
<td>Too Much Work</td>
<td>What are the three most important assignments in your job?</td>
<td>Address stress first by coaching on skills</td>
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<td></td>
<td>What can you stop doing that won’t be missed?</td>
<td>Eliminate unnecessary assignments</td>
</tr>
<tr>
<td></td>
<td>Which assignment gives you the most stress?</td>
<td>Re-assign less important assignments that are lesser fits with employee’s skills</td>
</tr>
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Reduce Cost of Turnover

Improve Employee Engagement

Improve Revenue & Profitability

“Fresh thinking for solving the turnover problem in any economy”... BusinessWeek
Your Role: Forecast Retention

- Likely to leave in a 6 months or less
- May leave in 6 – 12 months
- Likely to stay greater than a 1 year

Can be changed at any time if new information
## Retention Forecast “HeatMap”

<table>
<thead>
<tr>
<th>Leader: Rodriguez</th>
<th>Perf Rating/ 5 Hi, 1 Lo</th>
<th>Green 1+ yrs</th>
<th>Yellow 6-12 Months</th>
<th>Red 0-6 Months</th>
<th>Retention Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kim Johnson</td>
<td>4</td>
<td>Green</td>
<td></td>
<td></td>
<td>Provide mentor for...</td>
</tr>
<tr>
<td>Burt Brown</td>
<td>5</td>
<td></td>
<td>Red</td>
<td></td>
<td>Develop skills for possible promotion to...</td>
</tr>
<tr>
<td>Cindy Stone</td>
<td>3</td>
<td>Green</td>
<td></td>
<td></td>
<td>Pleased with current role &amp; circumstance</td>
</tr>
<tr>
<td>Ralph Jimenez</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>Coaching for performance</td>
</tr>
</tbody>
</table>
FINNEGAN’S ARROW

DOLLARS -> GOALS -> STAY INTERVIEWS -> FORECASTS -> Accountability

“Fresh thinking for solving the turnover problem in any economy”...BusinessWeek

- Reduce Cost of Turnover
- Improve Employee Engagement
- Improve Revenue & Profitability
The Incredible Power of Accountability & First-Line Retention Goals

**Strategy A**
Group of hospitals “solved” nurse turnover with onsite child care & flexible scheduling

**Strategy B**
Outlier hospital assigned retention goals to managers and reported progress monthly

*One Year Later: “A” turnover % identical, “B” down 41%, saved millions of $s*
Accountability Exit Interview, Delivered by Manager

1. Why did ___ quit?

2. Did you see this coming?

3. What color did you have him coded?

4. May I see his stay plan?

5. What one thing might you have done to keep her?

6. Are there changes you should make to your style...or how you hire...to retain other employees?
FINNEGAN’S ARROW

“Fresh thinking for solving the turnover problem in any economy”...BusinessWeek

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Case Study #1: Indiana Manufacturing

- Local/national talent shortage, initial turnover 100% +
- Hands-on manufacturing of recreational vehicles
- Leaders taught to conduct Stay Interviews, learned employees’ 1-1 needs
- Retention accountability report with leaders’ names distributed monthly

Turnover reduced 67% within 5 months
Case Study #2: Florida Hospital Nurses

- Demand for nurses much higher than supply
- Rural hospital, pay better in commutable Tampa
- CNO challenged to retain more nurses
- Nurse managers trained to conduct Stay Interviews, accept goals
- CEO discussed monthly retention report against goals

Nurse turnover reduced by 70% within 6 months
Case Study #3: Hilton’s Call Centers

- 5 domestic call centers, 50% 90-day turnover
- Pay for 4 weeks of training with no ROI
- CEO told center managers goal to retain 75% after 90 days; recruiters & trainers same goal
- Managers top to bottom conducted Stay Interviews
- 91-day meetings increased accountability

Turnover fell by half across all 5 centers within 4 months
Two-Person Role Play Exercise

How do we solve employee concerns with better probing?
The 13 Stay Interview Traps

1. Fearing response
2. Tipping the agenda
3. Introducing performance info
4. Being sketchy on company resources
5. Forcing the meeting
6. “Conquering” silence
7. Losing focus
The 13 Stay Interview Traps

1. Fearing response
2. Tipping the agenda
3. Introducing performance info
4. Being sketchy on company resources
5. Forcing the meeting
6. “Conquering” silence
7. Losing focus
8. Becoming defensive
9. Throwing your company under the bus
10. Solving quickly
11. Building a lousy stay plan
12. Dropping the ball
13. Breaking trust
FINNEGAN’S ARROW

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Gallup’s 100 Year Commitment

Surveying citizens of the world for 100 years to learn what people want more than anything else in their lives. So far the answer is which...

a. Good health?
b. A good job?
c. Love and respect from others?
d. Money for needs and more?
e. Better life for your children?
Gallup’s 100 Year Commitment

a. Good health
b. A good job
c. Love and respect from others
d. Money for needs and more
e. Better life for your children
To Obtain

✓ Free Online Stay Interview Training Module
✓ How to Cost Turnover & Engagement
✓ Engagement Correlations to Productivity
✓ The Stay Interview Manager Training Game

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Include # of employees