

# TOOLKIT FOR CONDUCTION RETENTION INTERVIEWS

If you have a smart phone please go to: [www.Kahoot.it](http://www.Kahoot.it) on your browser. We will be using it in our program. Do not leave the webinar

Wes Pruett  
HR Advisors LLC

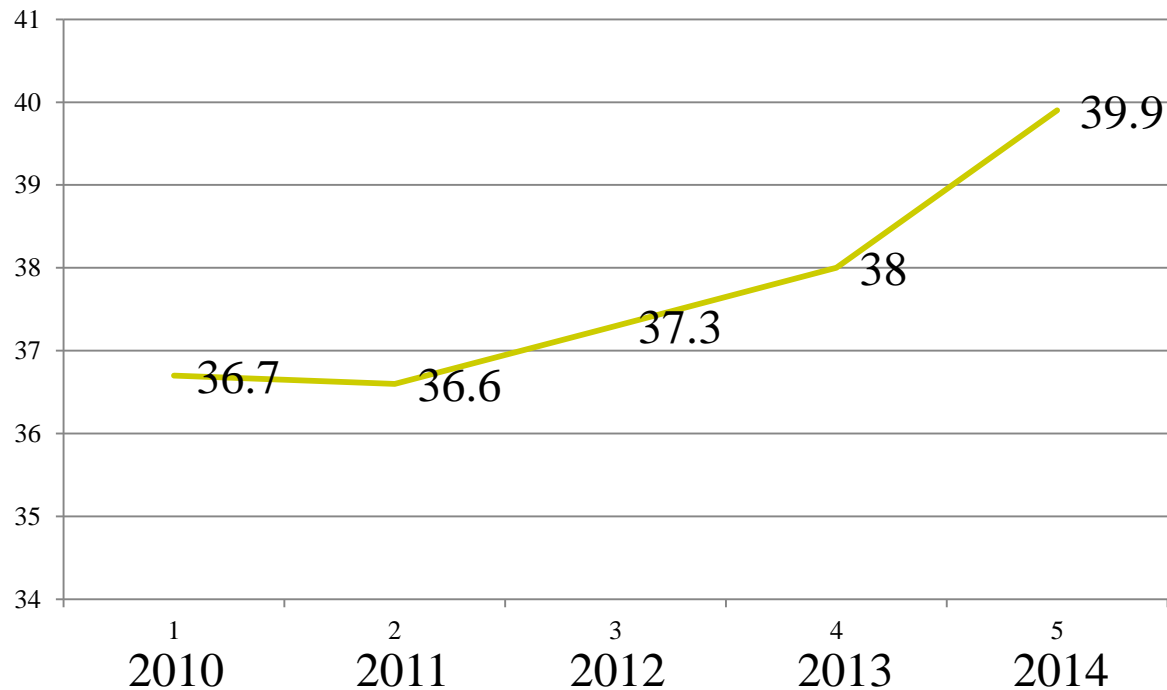


# Agenda

- ▶ Turnover
- ▶ Why people stay and leave
- ▶ Retention interviews
  - What, why, how
  - Tool kit

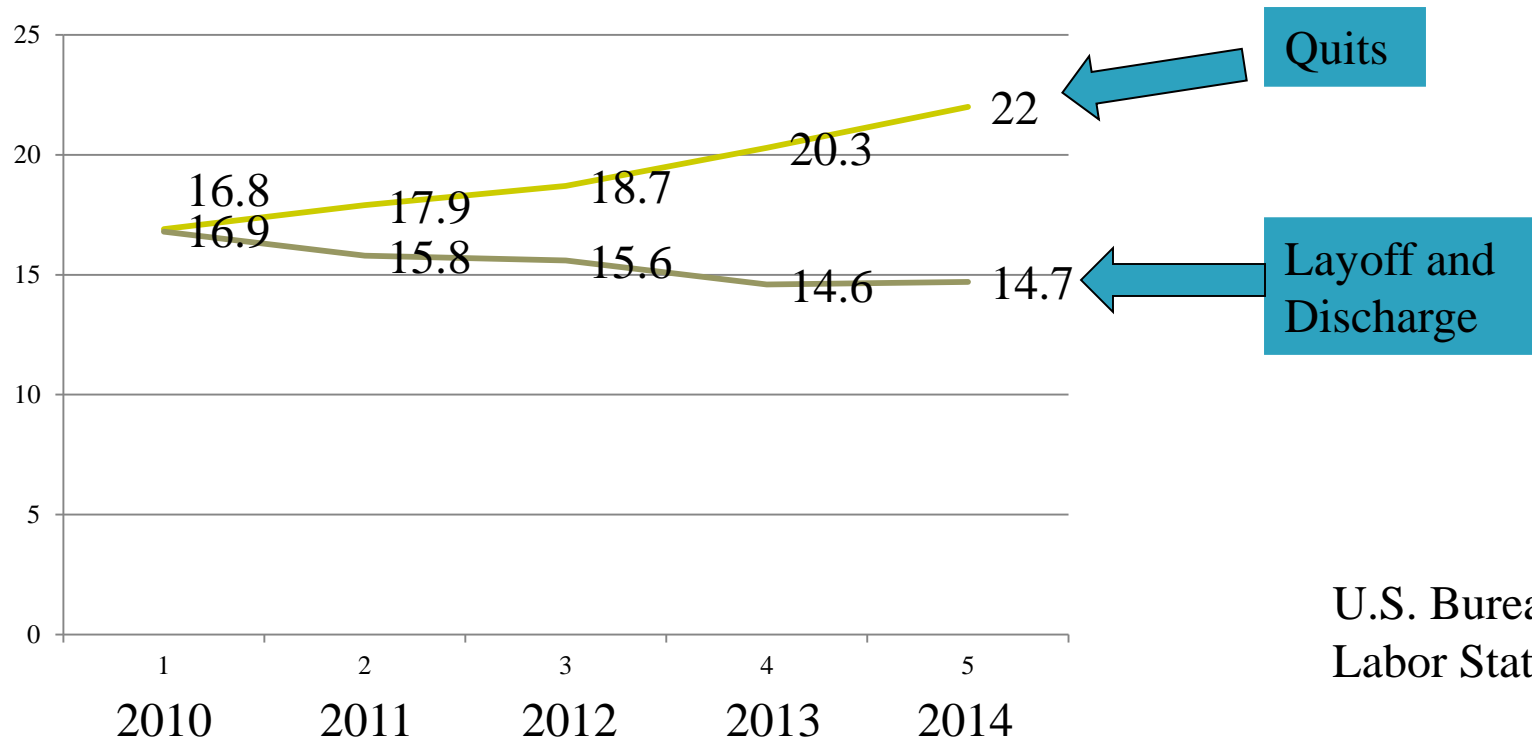


# % Total turnover



U.S. Bureau of  
Labor Statistics

# % Total turnover



# Global turnover

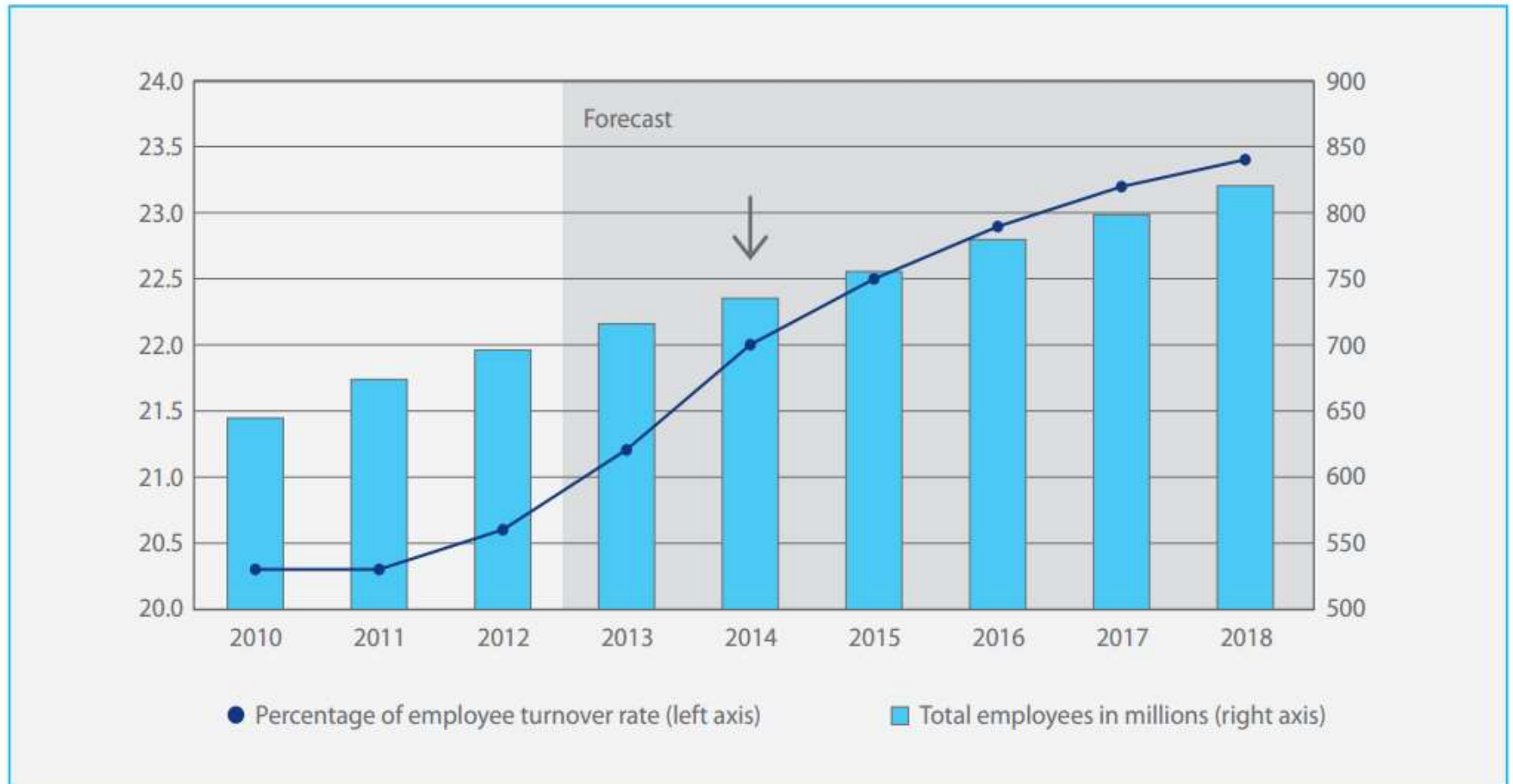


Fig. 2 Global turnover and number of employees

Source: Hay Group Cebbr analysis

# Cost per Hire

A word cloud illustrating various costs associated with hiring. The words are arranged in a circular pattern around the central word 'Recruiting'. The words are in different colors (dark red, brown, orange) and sizes, indicating their relative importance or frequency. The words include: Overtime, Testing, Orientation, Interviewing, Unemployment, Lost-business, Sign-on-bonuses, Work-disruption, Recruiting, Administrative-time, Morale, Reference-checks, Training, Headhunter, Severance-pay, Service-disruption, Advertising, Exit-interviewing, Internships, Litigation, Vacation-payout, Absenteeism, and Litigation.

Overtime Testing  
Interviewing Orientation  
Unemployment Lost-business  
Sign-on-bonuses Work-disruption  
Recruiting  
Administrative-time  
Morale  
Reference-checks  
Training Headhunter  
Severance-pay  
Service-disruption  
Advertising  
Exit-interviewing  
Internships  
Litigation  
Vacation-payout  
Absenteeism

# Turnover is expensive

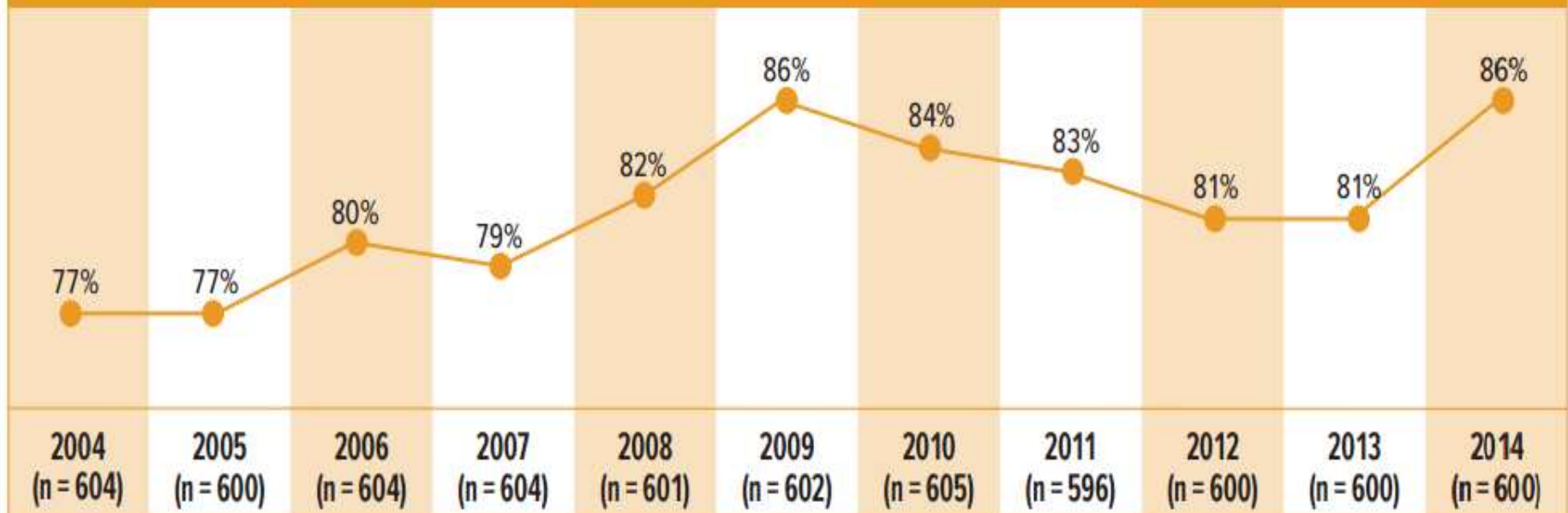


- ▶ Direct replacement costs as high as 50%–60%
- ▶ Total costs 50% to 200%



# Employee Satisfaction

**FIGURE 1:** Employee Job Satisfaction 2004-2014



**Note:** Figure represents respondents who indicated they were “somewhat satisfied” or “very satisfied” with their current job. Percentages are based on a scale where 1 = “very dissatisfied” and 5 = “very satisfied.” “Neutral/Neither satisfied nor dissatisfied” responses were excluded from this analysis.

**Source:** *Employee Job Satisfaction and Engagement* (SHRM, 2015)





**KEEP  
CALM  
AND DON'T  
SHOOT THE  
MESSENGER**



# What is the impact of losing your top talent?



# Turnover



$$\frac{\text{Total resignations}}{\text{Average number of employees}} \times 100 = \text{Turnover}$$

$$\frac{23}{100} = 23\%$$

# Cost of turnover

100 employee company with 23% turnover

\$20.00/hr average pay

50% recruitment cost

▶ **\$478,000!**

# Retention rate

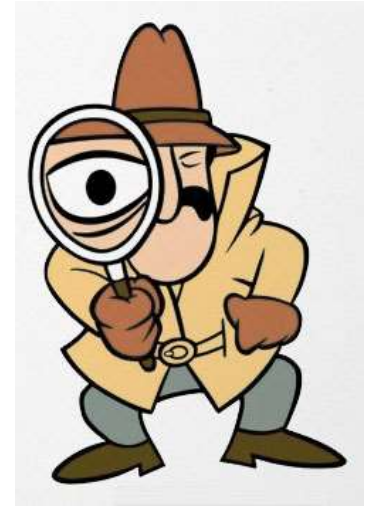
$$\frac{\text{Total stayers}}{\text{Ave. number of employees}} \times 100 = \text{Retention}$$

$$\frac{80}{100} = 80\%$$



# Digging into turnover

- ▶ Reasons: retirement, promotions, lateral moves, moving, voluntary, involuntary, money, culture, benefits
- ▶ Who: Length of service, age, race, sex
- ▶ By department, by profession/position, by shift
- ▶ **It is important to understand your situation**





# Staff Retention Survey

[www.Kahoot.it](http://www.Kahoot.it)



**Kahoot!**

# Retention planning

## Situation analysis?

- How many are leaving?
- Who is leaving and why?
  - Turnover rates
- Exit interviews
- Employee surveys



## Determine strategies

- Long term commitment
- Broad based
- Targeted



Assess and review



Implement strategies

# Turnover Predictors

Intention & thought of quitting (+)	Job Performance (-)
Search intentions & behaviors (+)	Stress (+)
Organizational Commitment (-)	Promotion Opportunities (-)
Relationship with Supervisor (-)	Other Job Opportunities (+)
Role Clarity (-)	Quality of Communication (-)
Tenure (-)	Work-Group Cohesion (-)
Job Satisfaction (-)	Participation in Decision Making (-)
Absenteeism (+)	Satisfaction with Super. (-)
Work Satisfaction (-)	Job Involvement (-)
Reality consistent with expectations (-)	Pay (-)

# Exit interviews

- ▶ Too little
- ▶ Too late
- ▶ Do they really make a difference?

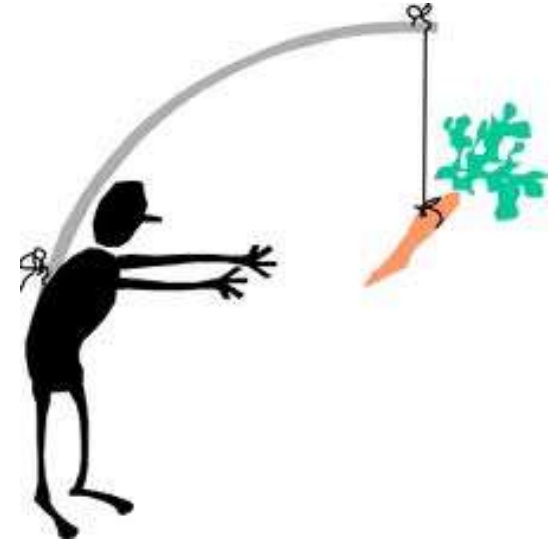


# Why people stay



# Motivation

1. Independence and autonomy
2. Mastery
3. Sense of purpose



*Dan Pink*

YouTube - Search: Dan Pink, motivation



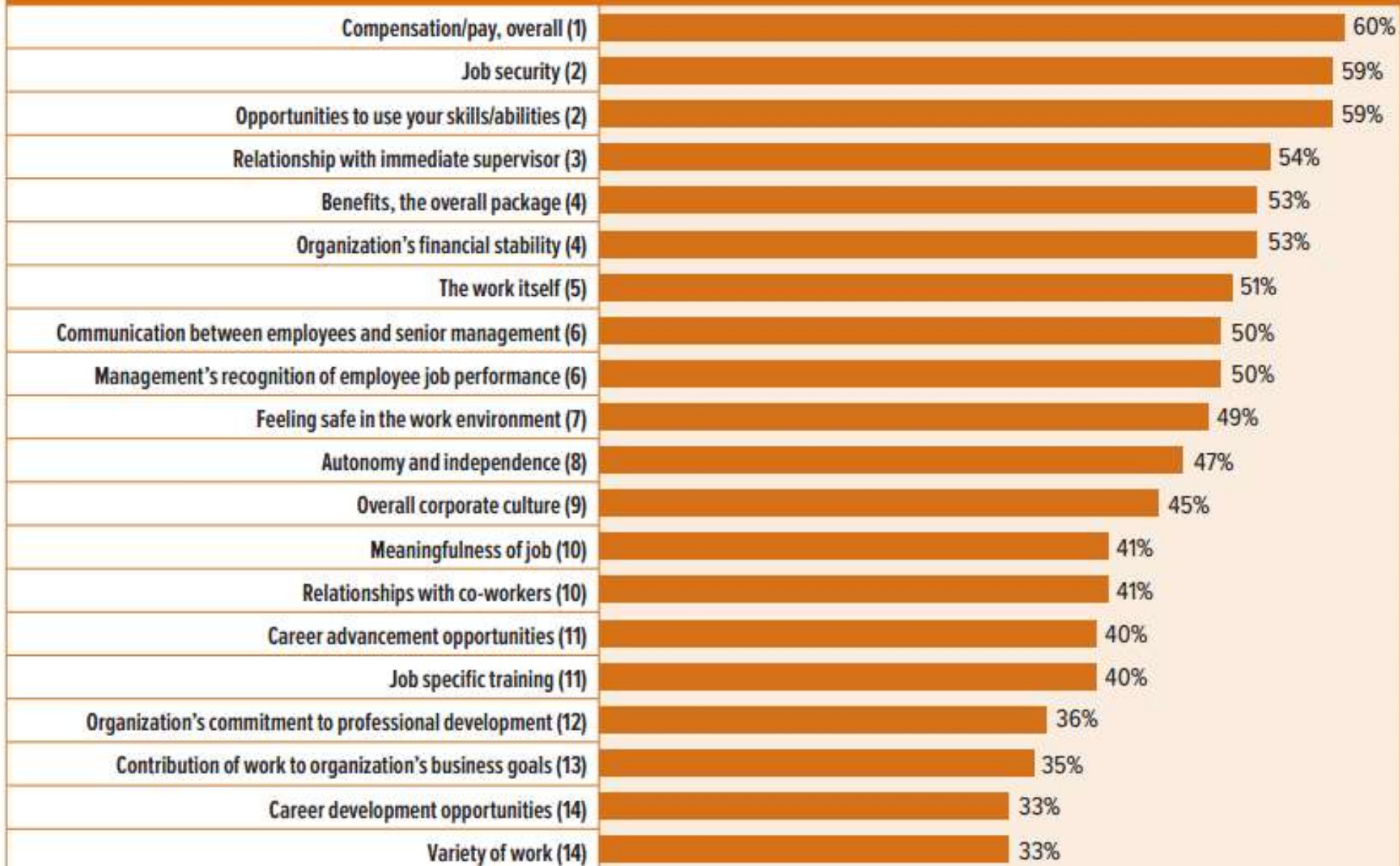
# Happiness and well-being

1. Positive emotion
2. Engagement
3. Meaning
4. Accomplishment
5. Positive relationships



*Flourish* by Martin Seligman

**FIGURE 2 Job Satisfaction Aspects Rated as “Very Important” by Employees**



Employee Satisfaction	Very satisfied	Very Important	Gap
Compensation/pay	25%	60%	35%
Communication between employees and senior mgmt..	21%	50%	29%
Job security	31%	59%	27%
Benefits	26%	53%	27%
Opportunities to use skills/abilities	33%	59%	26%
Management's recognition of job performance	25%	50%	25%
Organization's financial stability	29%	53%	24%
Career advancement opportunities	19%	40%	21%
Relationship with immediate supervisor	37%	54%	17%

# Compensation

Pay and benefits must be viewed as fair and competitive.



# Why people leave

## Exit Interviews

- ▶ 38% salaries
- ▶ 4% supervision



## After 18 months (same employees)

- ▶ 12% salary
- ▶ 24% supervision



# Reasons for leaving

What would be reasons other than money for leaving a job?

Text 507-399-1240





# Top Retention Strategies



- ▶ 62% Market adjustment/base salary increase
- ▶ 60% Hiring bonus
- ▶ 49% Work environment (flex schedules, casual dress, telecommuting)
- ▶ 28% Retention bonus
- ▶ 27% Promotion development opportunities
- ▶ 24% Above-market pay
- ▶ 22% Training and educational opportunities
- ▶ 22% Individual spot bonuses
- ▶ 19% Stock programs
- ▶ 15% Project milestone/completion bonuses

*World at Work*

# Managers

- ▶ Managers account for at least 70% of the variance in employee engagement scores.
- ▶ If you have a turnover problem, look first to your managers.

Gallop



# Managers

**If supervisors aren't liked, admired and respected there's a problem**

- ▶ Identify and remove abusive supervisors
- ▶ Develop leadership skills
- ▶ Hold supervisors accountable for retention
- ▶ 360 appraisals
- ▶ Teach coaching/mentoring skills



# Managers

Hold them accountable for turnover.



# Are you appreciated?



# Action step

- ▶ Teach managers about performance management
- ▶ Conduct performance appraisals regularly and on time
- ▶ Learn how to provide meaningful and useful feedback
- ▶ Build communication skills – DiSC®, MBTI



# Employee development

- ▶ Assume people want to grow
- ▶ Personal development, knowledge, skills
- ▶ Assign responsibility
- ▶ Culture of continuous learning
- ▶ Individual development plan
  - Development interviews



## **Disengagement drivers**

Compensation

Benefits

Working conditions

Coworkers

Communication

## **Engagement drivers**

Advancement

Autonomy

Personal growth

Recognition

Personal alignment



When a company raises employee engagement levels consistently across every business unit, everything gets better. Gallop

# Engagement factors

1. Trust in senior leadership
2. Discretionary effort
3. Relationship with manager
4. Utilization of strengths and talents
5. Developmental opportunities
6. Pride in organization
7. Connection to organization's success
8. Job satisfaction
9. Coworker relationships



# Retention interview, Stay interview

A periodic 1:1 structured interview between a manager and an employee that:

- ▶ Identifies factors that drive an employee to stay or leave
- ▶ Creates a plan of action to retain employee



# Retention Interview Quiz

[www.Kahoot.it](http://www.Kahoot.it)



**Kahoot!**

# The down-side



1. Takes commitment
  - To the process
  - To the employee
2. Takes time
3. Individual plans may require resources

# Retention risk matrix

	Low Impact of Turnover	High Impact of Turnover
Low Likelihood of Departure	1.	2.
High Likelihood of Departure	3.	4.



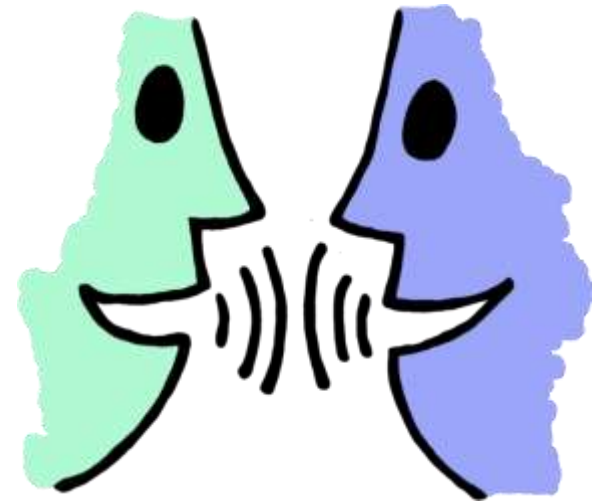
# Interview steps



1. Introduction and welcome
2. Identify the factors that motivate and engage the employee
3. Identify the factors that may cause the employee to leave
4. Develop a plan of action
5. Work the plan and follow-up

# Communication

- ▶ Relationship – trust, respect
- ▶ Listening
  - Listen to understand
  - 80/20
- ▶ Questioning (open ended)
- ▶ Strategizing (planning)
- ▶ Supporting



# The setting

- ▶ Employee centered
  - Compassion
- ▶ Friendly, warm, and positive
- ▶ Private – control interruptions
- ▶ Empower – let employee make decisions
- ▶ Confidential
- ▶ Realism



# Caveat

- ▶ Don't make promises of permanent employment



# The toolkit

1. Retention tracking
2. Supervisor's pre-interview worksheet
3. Staff retention interview questionnaire
4. Retention interview form with action plan



# Retention tracking form

Name	Performance Rating 1 = Poor 5 = Exceptional	Impact Rating 1 = Low 2 = Medium 3 = High	Risk of leaving 1 = imminent 2 = within a year 3 = 1 year plus	Retention plan
1. Sarah Star	5	3	2	
2. Larry Loafer	1	2	3	

Handout

# Supervisors' pre-interview form

Clarify goal of interview

1. Assess employee risk
2. Build relationship, trust, empower employee
3. Involve employee
4. Take action
5. Retain valued employee

Handout



# Supervisors' pre-interview form

## Conducting the interview

- ▶ Schedule and communicate to employee
- ▶ Provide employee with Staff Retention Questionnaire
- ▶ Employee-focused
- ▶ First look at present situation
  - Motivators, positives, engaging factors
  - Triggers for resignation
- ▶ Then move toward future action & plan

# Staff retention interview questionnaire



- ▶ Provide in advance of interview
- ▶ Clarifies purpose and process
- ▶ Helps employee prepare and think through the discussion
- ▶ Supports employee development and career planning
- ▶ Not shared with supervisor

**Handout**

# Retention Interview Form

- ▶ Provide basic structure of interview
- ▶ Be flexible
- ▶ Take notes
- ▶ First assess the current situation
- ▶ Next discuss a plan
- ▶ Finally make commitments and schedule follow-up

Handout

# Retention Interview Form

## Part 1 questions

1. Current situation and work atmosphere
2. Positives
3. Negatives
4. People
5. Growth, development, goals
6. The job itself
7. Recognition and Reward
8. Contribution
9. Life/work balance
10. Retention risk



# Retention Interview Form

## Part 2

- ▶ Build a plan of action
- ▶ SMART goals
  - Specific, Measurable, Achievable, Relevant, Time-bound
- ▶ Make commitments
- ▶ Have a plan for follow-up

**Will the plan make a meaningful difference in retaining the employee?**

# Retention tracking form

Name	Performance Rating 1 = Poor/ 5 = Except.	Impact Rating 1 = Low 2 = Medium 3 = High	Risk of leaving 1 = imminent 2 = within a year 3 = 1 year plus	Retention plan
1. Sarah Star	5	3	2	Enroll in leadership development program, offer new research assignment, allow more flexible hours
2. Larry Loafer	1	2	3	Performance management program, assess engagement

# Formats



1. One-on-one with manager
2. One-on-one interview with HR
3. Questionnaires/ Surveys
4. Focus group with small group of employees



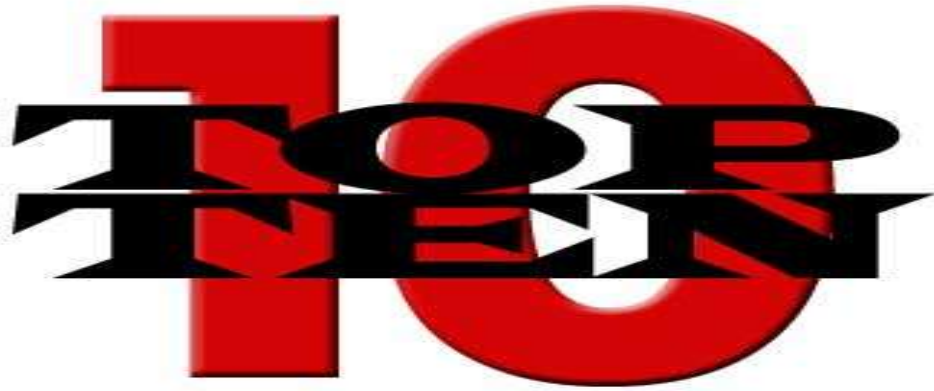
# Factors to consider

- ▶ Top down
- ▶ Who – Top performers? High impact? All employees?
- ▶ When
  - New employees 2–3 /year
  - Regular employees 1 /year, or if suspect an issue
  - Follow-up
- ▶ Timing – at same time – aggregate data
- ▶ Not part of performance management

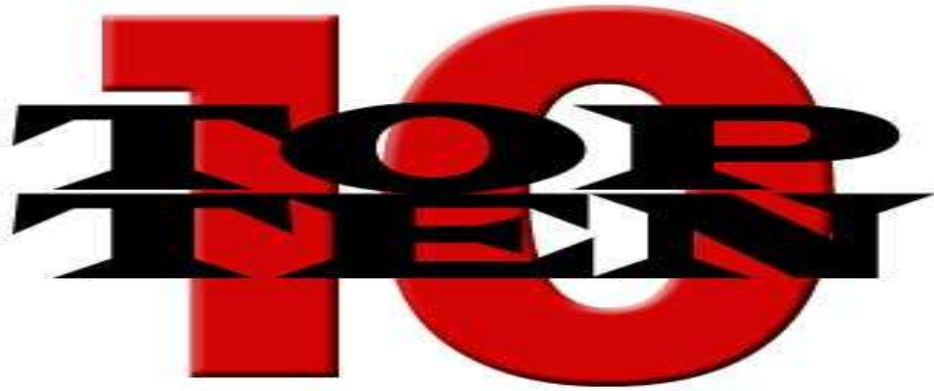
# Make a goal

- ▶ Assess your environment
- ▶ Determine opportunities
- ▶ Make a plan
- ▶ Put it in motion
- ▶ Reevaluate





1. Measure retention and turnover
2. Realize the cost of turnover
3. Know the details
4. Make a commitment to employees
5. Train supervisors in coaching/communication skills



6. Assess retention risk for each employee
7. Assess performance & impact for each employee
8. Meet with employees regularly
9. Make individual plans and commitments
10. Follow up



# Thank You



Wes Pruett  
HR Advisors  
Wes@HRadvisors.biz  
507-399-1240



# Bio

Wes Pruett is owner of HR Advisors LLC, a consulting practice that provides service to clients who seek to align their business and employees creating successful outcomes and excellent work environments. After 20 years in senior leadership within the Mayo Health System he founded HR Advisors.

Mr. Pruett provides solutions to companies for a wide variety of HR issues including compensation, compliance, policy development, performance management, and employee relations. Mr. Pruett regularly facilitates employee training related to communication, leadership, coaching and strategic planning. He is a certified business coach credentialed by the International Coach Federation and an authorized provider of Five Behaviors of a Cohesive Team and Everything DiSC.

Wes earned a Masters in Healthcare Administration at the University of Minnesota Carlson School of Management and an M.S. in psychology. He can be reached at [Wes@HRadvisors.biz](mailto:Wes@HRadvisors.biz) or 507-399-1240.

