



Employer Attitude

The Foundation of Employee Retention

by David J. Forrest, Ph.D.
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One of the foundation stones of companies which attract, retain and motivate high-performing employees is a positive and valuing attitude toward them. In this era of monster mergers and megacorporations, it is all too easy for top management to see employees as expendable resources to be hired and fired at will according to the current short-term business plan. A cynicism can creep into a work force which undermines its efforts, and this can cause employees to look for work elsewhere when opportunity arises.

Many corporations trumpet the slogan, "People are our most important asset." This is admirable, but it takes hard, consistent work in policies, statements and actions for those people to believe it. Similarly, many companies post eloquent "values" statements which mention people, team work, integrity, respect, dignity, etc. Again, these fine items must be backed up in practice to be believed. Otherwise they become jokes when the CEO salts his next speech with them.

Small companies are not immune from a less-than-positive attitude toward their employees, especially if they have been plodding along just trying to survive in a fast-changing world. The loyalty that some employers proudly proclaim is simply inertia. When the labor market is tight, this is a weak glue for retaining employees.

For example, it is all too common for banking institutions to treat their teller employees as entry-level "cannon fodder" and then anguish about high turnover rates. Often this is the unintended consequence of good motives which don't communicate to the employees. Management forgets that tellers and low-paid "platform" people are the basic interface to the customer.

Similarly, it is sometimes easy for hospitals to accept high turnover among their "housekeeping" staff (cleaners, stockers, food service workers) who are clearly at the bottom of the "caste" system. Administrative rarely stops to figure out the actual cost of that turnover and what could be done to reduce it. For example, the plight of the ever-pressured yet critical staff nurse is better known through the press, yet the eye-popping cost of that turnover is rarely mentioned. Exceptions to these sad norms are often found in charitable and religion-sponsored hospitals where belief in the "cause" of the institution helps provide identity, pride and motivation – and retention.

The elements of a corporate positive attitude toward employees are not random or mystical. A company can consciously transform itself through purposeful study and application of some basic principles.

First, employees need to feel they are appreciated, valued and trusted. This is not family; this is not about love or friendship. It is about respecting people and their contributions to the company effort. This principle implies competence.

The second principle is development. In business, a critical component of trust is competence. The whole organization needs each person to be really good at what they do. Few people start out that way. Employees who participate in their own growth and development plans are going to stick around because they know their company wants more for them.

Next is growth in responsibility. Most people want to grow and to feel more competent and more responsible, at any level. A good manager, and therefore a good company, helps people manage themselves by consistently focusing on performance and results. The manager teaches the employee what they are good at, what else they need to know and how to get it. As they grow they receive higher levels of responsibility and accountability. This attitude also encourages innovation and creativity.

As the principle above implies, the fourth principle is a good relationship with the manager/supervisor. All research shows that this relationship is critical to employee success and satisfaction, and therefore to retention. It makes sense in that the direct boss is the richest interface and the most important source of feedback. This is communication at its most critical source. The supervisor represents the personal experience of the corporation for employees and therefore reflects, for better or for worse, its underlying attitudes toward them.

The fifth principle is success. The other four lead to it. The valued and successful employee stays. Success is the aphrodisiac of employee retention. This implies, of course, that the work is meaningful to the corporate enterprise. People are not fools, and success cannot be showered upon someone recklessly. Success is obvious, and it is also contagious. The strong employer rewards employees for helping to make others successful also.

As stated above, these principles are neither magical nor mystical. They are bedrock to an employer attitude to making its employees the best they can be within the objectives of the company. They comprise a commitment to people, who are not, like technology, tools. People make it work.

These principles apply to any size company. Some large corporations do this well. Small and medium-sized companies and family-owned businesses are especially fertile ground for highlighting a valuing attitude toward employees. Typically they can introduce change more easily (rapidly), and their employees can more readily see and identify with management attitudes.

The tone for a company is set at the top. A work force cannot long be fooled. When the tone is cynical a cancer eats away at potential strength. Where the tone is positive and embracing toward employees, power and a can-do spirit arise.

A healthy employer attitude toward its people cannot by itself attract, retain and motivate high-performing employees. Other steps must follow. Without this crucial foundation, however, all other efforts will eventually crumble. A strong work force is not an act of fate. It is built and nurtured by the attitudes of the people within it.

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**Public Response to “Employer Attitude -
The Foundation of Employee Retention”**

Dr. Forrest is absolutely correct. So many times I have seen and heard of organizations failing to follow these basic principles – to their own detriment. How much does it cost to replace a Staff RN? Or a EVS Tech (Housekeeper)? There are different formulas for the direct costs. All of them show that turnover is very expensive. What is not measured or measurable is the impact on the organization’s effectiveness. The disruption caused by unwanted, and unnecessary, turnover is enormous!

Healthcare, as well as other businesses, must pay closer attention to these principles of value, dignity and respect for all employees. The labor pool is drying up. If we don’t start paying real attention, not just lip-service, to the most important resource, the best of this resource will migrate to organizations that do value them.

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