RETENTION CONVENTIONS:
EXPERT INSIGHTS ON KEEPING CRITICAL EMPLOYEES
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RETENTION ISN’T WHAT IT USED TO BE

Like the Fedora hat and the three-martini lunch, a lifetime career within a single organization has become a relic of the past, its loss acknowledged with a mixture of nostalgia – and relief.

“More and more people are moving from long-term careers at one company to shifting careers among many," says Sarah Allen, University Recruiting Manager, General Mills. “In the past, potential recruits would ask, ‘What will my career at this company look like thirty years from now?’ Today they ask, ‘How will this job prepare me for the next step in my career?’”

Such movement and flexibility can benefit institutions as well. Ellen Mahoney, Chief Human Resources Officer, Harvard Business School, notes, “We want fresh perspectives, so some turnover is healthy, but…”

But attracting and retaining qualified talent remains an important and expensive investment, one that only escalates in significance and cost when prosperous economies facilitate even greater employee movement.

Ultimately, success depends on a foundation of mutual value. “Retention,” Mahoney says, “is a general term for making sure people can stay in a role as long as they’re engaged and excited about their work, and we, the institution, are getting what we need.”

To gain a deeper understanding of the issue, Harvard Business School’s Career and Professional Development office interviewed seasoned human resource professionals to surface and share the fundamentals of successful retention across three dimensions of employment: recruiting, onboarding, and overall company culture. Their insights provide the core of Retention Conventions: Expert Insights on Keeping Critical Employees and, hopefully, a springboard for further conversation within your own institution.
RECRUITING: SETTING EXPECTATIONS
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For many HR professionals, retention begins before employment starts.

“It’s all about the fit,” says HBS’ Mahoney. “Retention starts with the right recruitment process,” one that provides the right information to prospective employees to ensure the right fit for their roles and within the organization.

Alice Davison, Capital Group’s Vice President/Senior Manager for Talent Acquisition, believes that the recruiting process should reflect the core values of the organization. “It’s important to create a process,” she says, “that mirrors the most compelling elements of your organization. What potential employees experience should resemble your work environment.”

Given that personnel issues are, by nature, personal, Davison emphasizes the significance of the interview itself, beginning with the interviewer. “Applicants want to interact with interesting and engaging people,” she says. For her, a good interviewer is able to:

1. **Communicate the company’s core**
   The interview “sets the tone” for the conduct of the entire organization, so every aspect of it should reflect its values and practices.

2. **Share personal stories**
   “We want our interviewers to be relatable,” Davison says. “They should have their own compelling stories to share; we want candidates to be able to see themselves in their shoes.”
Finally, Davison puts a high premium on transparency. “Candidates need to know what it’s like to work at your organization,” she says. Information about their specific job role, the general work environment, “and all-important processes around evaluation, development, and professional growth,” should be shared during the recruiting stage.

Mahoney concurs, emphasizing the practical realities, and the ethical dimensions, of a transparent recruiting process. “No one place is right for everyone,” she acknowledges. “We need to be honest about who we are – and who we are not. We want to allow individuals to make an informed choice about their employment decision.”

3 Represent success

Interviews, Davison believes, are an excellent way for the organization to spotlight its most successful people – the kind of people who model the company’s ideals.

4 Facilitate two-way conversations

“You want interviewers who can both share and collect information,” says Davison.

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ONBOARDING: BUILDING THE FOUNDATION
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Davison believes that when retention efforts fail, the most likely culprit is “disappointment – the difference between what was expected and what actually happens.”

Onboarding, the process through which new hires are integrated into their roles, has a major impact on both sides of the equation, representing the opportunity to both set and begin fulfilling expectations. “You want people to be positively surprised when they arrive, not thinking, ‘This isn’t what I expected,’” Davison says.

Many organizations have formal onboarding structures, in standalone initiatives and as part of rotational leadership programs, to help new hires establish their bearings and adapt to the corporate culture. These typically include:

• Training and education programs
• Formally assigned mentorships
• Peer/colleague cohorts for mutual support and learning

Yet too many companies neglect the informal, less structured aspects of onboarding that can go a long way toward establishing personal loyalty and professional satisfaction. General Mill’s Sarah Allen sees a crucial role for managers. “The people you spend the most time with are your immediate team and managers,” she says. “We encourage our managers to form meaningful relationships with direct reports.” Job satisfaction, she believes, “all starts with the environment the manager sets up.”

Making the effort to cultivate relationships may seem a “soft” approach to management, but it can produce hard, practical results. “When your work environment is familial in nature – where you genuinely enjoy and connect with your peers – you have that relationship piece in place,” Allen says. Any temptation to change jobs will have deeper consequences. “It’s no longer about just leaving a company, but a thousand people you’ve grown close to.”
COMPANY CULTURE: CREATING AN ENGAGING ENVIRONMENT
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Conventional wisdom may assume that money, or overall compensation, is the decisive factor behind retention. Yet every human resources professional interviewed for this paper disagreed (see “It's Not Just The Money”): in their experience, culture, not compensation, plays the key role in retaining productive employees.

“What's the thing that really gets people to stay?” asks Davison of Capital Group. “It’s them saying, ‘I love this work!’” Culture – the people, policies, and processes that shape the work environment – must be conscientiously designed to sustain enthusiasm over the long run. “Sticky” cultures distinguish themselves through the following components:

HOLISTIC APPROACH
HBS' Mahoney believes that organizations must look beyond an attractive benefits package to create a “desirable place to work.” In addition to desiring a fair salary and competitive benefits, productive employees want supportive management in general, and specific programs – such as daycare or community volunteer activities – relevant to their needs.

“This can’t be just rhetoric,” Mahoney cautions. “It has to be real.” In her mind, a successful workplace has two elements: 1) a “base” culture that delivers the fundamentals – compensation, management support – and 2) “specialized programs attuned to the needs of your people” which may include such things as wellness/fitness initiatives, subsidized commuting, “bring your dog to work day,” and so on.
ACTIVE LISTENING AND ROUTINE FEEDBACK

The least favorable time to hear workplace concerns is when an employee is walking out the door. Mahoney advocates for “louder conversations” in which the whispered concerns around the water cooler become openly expressed at the business table to be heard, discussed, and hopefully, resolved. At General Mills, Allen stresses direct conversations to surface concerns. “It’s always valuable to do a ‘story’ interview, to ask people where they are on a scale of one to ten. Ask them what it would take to make their experience a ten.”

Similarly, Allen champions greater clarity around employee potential. “You may have an eye on potential leaders among your top talent,” says Allen. “But do they know they’re valued? It would be terrible if their potential were recognized but not communicated – let them know that their performance could put them in the running for leadership.”

KEEP “STRETCHING”

The talent you most want to keep is the talent that keeps pushing themselves with new challenges. Instead of focusing on future roles, Allen suggests, find ways to “keep folks engaged in the roles they have now.” She favors “stretch” roles, projects or assignments that not only challenge your people, but give them new avenues for growth, such as opportunities for cross-functional responsibility, or access to top leadership.
IT’S NOT JUST THE MONEY

Perhaps the most common (and controversial) retention tactic is to match or beat an employee’s new employment offer with an attractive counter-offer. Although the effort seems obvious, it’s often not effective.

“When people are researching outside opportunities,” says Allen, “there’s more than money at play.” She suggests the more likely culprits are poor management, weak or destructive peer relationships, and dissatisfaction with the work itself. “If money is the only reason they would stay, putting more money on the table probably won’t encourage them to stay for any significant length of time.”

Mahoney concurs. “If someone is tempted to leave, that temptation usually has little to do with compensation,” she says. “At that point, your employee has already mentally left the job.”

Both experts agree: instead of proposing counter-offers, examine the quality of the basics – what the work is, and who the employee works with. Addressing these fundamentals is much more likely to increase satisfaction and encourage retention.
THE KEY IS IN CULTURE

The ability to retain talented employees, especially those with leadership potential, will always be a challenge. When the market is bullish – opening more opportunities for movement – and the talent is on the young side (21 – 35, and therefore less vested in traditional benefits packages), the challenge becomes even more acute.

Although the temptation may be to throw more money at the problem, the experts who participated in this inquiry suggest that we need to throw more attention to our respective corporate cultures. Give employees meaningful challenges; provide more opportunities for personal and professional growth; and most importantly, open the lines of communication both among peers and between management and their reports.

When the culture rewards engaged talent, that talent rewards your organization with sustained engagement, year after year.

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