

RETENTION TENSION:

Keeping High-Potential Employees

By Aparna Nancherla

What makes an employee want to stay at his job, especially a customer service employee, a star performer, or both? That question is one that many employers are being forced to examine.

A recent study on popular retention methods from ClearRock, an outplacement and executive coaching firm in Boston, reveals that employers are having a tough time keeping both their frontline and high-potential employees—employees who are crucial to a company’s success.

In a survey of 94 organizations nationwide, 37 percent of employers reported an increase in the turnover of frontline employees, and in the same time period, 31 percent of employers reported an increase in the turnover of high-potential employees.

According to the survey, operations and production workers are the most difficult frontline employees to retain, followed by information services and computer-related workers, sales and marketing employees, and customer service employees.

High-potential operations and production workers are also the most difficult to retain, followed by workers in sales and marketing, information services, and accounting and finance.

The majority of employers are not losing employees from lack of trying to retain them, according to Annie Stevens, managing partner of ClearRock. “More employers are trying to retain employees from the start of their employment,” she says.

The results showed that 51 percent of the employers instituted revised or new retention programs for their frontline employees; 56 percent of employers did the same thing for high-potential employees.

However, employers with new or revised retention programs generally had more success retaining high-potential employees than frontline employees, with an 84 percent success rate for high-potential employees compared to 81 percent for frontline employees.

“With the cost of replacing workers who leave or don’t work out rising to two or three times their compensation, companies are revising their retention programs to make workers’ tenures with them longer,” Stevens says.

Some of the top methods that employers are using in their retention programs include more careful selection, better compensation and benefits, better orientation and assimilation programs, coaching, the use of exit interviews, and improved training.

Greg Gostanian, also a managing partner for ClearRock, says, “Although employers have placed a higher priority on retaining their high-potential future leaders, they are also trying harder to keep entry-level and customer-contact workers due to the effect of turnover on quality and customer service.”

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The BIG Number

84%

of employers with new or revised retention programs say they have been successful in retaining high-potential employees.

>>Top Ways Employers Are Trying to Retain High-Potential Employees



More careful selection63%
Flexible work schedules42%
Improved training61%
Tuition reimbursement38%
Coaching54%
Exit interviews38%
Better compensation and benefits52%
Retention bonuses27%
Better orientation51%
Casual dress codes24%
Mentoring43%
Health insurance20%

Source: ClearRock



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