

An illustration of a person in a dark suit and white shirt running away from a doorway. The person is carrying a brown briefcase. On the wall to the left of the doorway is a white sign with the word 'EXIT' in red capital letters. The scene is set in a room with green walls and a light-colored floor.

April 2016

Why Companies Lose Top Talent

Money, money money. This is what springs to mind when people hypothesize about the most common reason people leave their jobs. In fact, while cash may be king for companies, our research highlights that most people accept new jobs for content, career, and culture and they leave their *supervisors*, not their jobs.

This statistic was recently confirmed in the 2015 Gallup poll after a “survey of 7,200 adults found that about half had left a job at some point “to get away from their manager.”¹ This was by far the single most selected reason, managing supervisor-employee relations is paramount to achieving long-term, successful business objectives.

¹ <http://blogs.wsj.com/atwork/2015/04/02/what-do-workers-want-from-the-boss/?mod=e2tw>

Employees are now impacting companies more rapidly than ever, and they are demanding more from their bosses and employers. A recent publication from Stanton Chase cites this growing generational difference, "For example, management seeks a senior-level replacement who wants to be with an organization for another 15-20 years, just like the retiring Boomer. GenXers may not want that longevity. Different incentives are appealing."² The new generation of executives is experiencing more job movement and less longevity at each workplace. What is behind these changes? Gallup indicates the variance in employee engagement attributable to the manager is 70%. Stanton Chase takes a pro-active approach by offering managerial solutions through its Executive Assessment products and services.

In order for companies to address this employment challenge, it is important to understand what supervisors are doing to foster or quash engagement.

"...it's not enough to simply label a manager as "bad" or "good." Organizations need to understand what managers are doing in the workplace to create or destroy engagement...behaviors -- related to communication, performance management and strengths -- strongly link to employee engagement and give organizations better insights into developing their managers and raising the overall level of performance of the business."³

Communication by the manager lies at the core of fostering positive, long-term employer-employee relationships and a productive work environment. Managers who are perceived as inclusive, approachable and collaborative tend to attract and retain their employees, especially top "A" talents. Small behaviors, such as asking about the personal lives of their subordinates, often make the difference in whether or not an employee stays or leaves a company. Performance management also plays a critical role in management. Clear expectations are paramount; employees who receive only sporadic or conflicting reviews find themselves confused and floundering, providing further impetus for departure when presented with the possibility of a job change. Finally, employees also report satisfaction from strength-based approaches in management. A strength-based approach is similar to being a coach on a team as the manager

² <http://www.stantonchase.com/as-boomers-retire-genxers-are-bringing-a-unique-perspective-to-the-workforce/>

³ http://www.gallup.com/businessjournal/182321/employees-lot-managers.aspx?g_source=to%20get%20away%20from%20their%20managers&g_medium=search&g_campaign=tiles

recognizes that individuals are unique and possess unique attributes that create value. Capitalizing on a person's strengths puts them in a position to succeed and can further develop that person's skills, motivation, and deepen their commitment to the organization.

Clearly, strong relationships between managers and their subordinates is a matter of business efficacy. Stronger relationships often developed through active listening and care and lead to company loyalty and longevity, thereby strengthening the business. What should employers consider when strengthening boss-employee relationships? Paul Herrerias, a Managing Director at Stanton Chase, notes "We're at the start of a workforce/cultural shift at the executive level. Management and GenXers should work together to create the right fit. ...It's not better or worse. Just different and...requires flexibility, some creativity and selling skills."⁴ Supervisors should keep in mind that every employee is an asset worth investing in, and therefore their individual strengths should be utilized and maximized to the best extent possible for both the employee and the employer. Clear communication and explicit, ongoing performance reviews undoubtedly play a role in employee retention and turnover.

Executive search firms are equipped to attract, identify, and retain the best candidate for each client's needs. Stanton Chase takes this trust to a new level by considering the best cultural fit when vetting candidates; an appropriate cultural fit not only recognizes the global geographical location, but also the work culture that is most suitable for the candidate and company. Furthermore, Stanton Chase is also committed to employee longevity at all ranks in the workplace. One method of achieving this is through Stanton Chase's Executive Assessment solutions, which are tailored to suit each company's individual needs and requirements. This dual approach to candidate selection and ongoing assessment ensures the evaluation necessary to generate the ever critical strong employer-employee relationships.

⁴ <http://www.stantonchase.com/as-boomers-retire-genxers-are-bringing-a-unique-perspective-to-the-workforce/>

For more information, contact:



Mickey Matthews

International Chairman and Managing Director

m.matthews@stantonchase.com

+1 410-528-8400