Employee retention has left the building

A recent technology industry study revealed that 67 percent of employees who have between 1 and 5 years on the job, voluntarily leave their companies. Bert Sadtler, President of Boxwood Strategies explains why this is not as bad as it looks.

A recent technology industry study revealed that 67 percent of employees who have between 1 and 5 years on the job, voluntarily leave their companies. If this is shocking, then perhaps more attention should be given to the trends in today’s marketplace. Perhaps we need to change the perception of: “Employee Retention”. Change continues in the business arena today. It may be the only thing that is constant.

In my experience, today’s employment marketplace sees an employee change in their job every 3-5 years. It confirms that there is a shift in the recruiting and hiring paradigm from the days when employers were hiring for a lifetime.

Agile and nimble

The failure occurs when business leaders fail to be agile and nimble in their approach to hiring, their understanding of talent today and their expectations for “a forever employee”.

The shift from the 20-30 year employee to today’s 3-5 year average has travelled 180 degrees. Long tenure was once an indicator of a viable business. Today, it may no longer be a healthy sign for a business to have long tenured talent. With the growth of a healthy business, the talent that was the right fit at $5 million in revenue is not going to be the talent that is the right fit when the business is generating $20-$50 million.

We are not suggesting that a company changes out the entire team of its professionals. We are suggesting that a company that has little to no personnel change year-on-year may be stagnant, facing growth challenges and experiencing issues where leadership is averse to change in general.

The solution to redefining retention starts with embracing the changes in hiring and retention today. The statistics are telling us that the cycles of employment have shortened.

Today, retention should be redefined to address the retention of the relationship between employer and employee.

Think about it; wouldn’t it be valuable to the employer to retain a great relationship with an employee who is departing for a better opportunity? What if that employee went to work for a prospective industry partner? Or a competitor? Or furthered their skills in another role and then wanted to return to your company? Couldn’t they deliver more value to your business in a role that is more senior than the one they previously held?

On the other hand, if the relationship were to be destroyed once the employee left for a better opportunity and the ex-employee felt burned, they will never consider returning (in a role where they could offer more) and they would never be of value to your company by working for a prospective industry partner. Couldn’t their multiple employment experiences and professional growth position them to deliver value back to the earlier business leader?

What are you doing to change your company’s retention paradigm? Does your company encourage personal growth knowing the talent may end up working somewhere else? Have you implemented this philosophy throughout the organization? How important is this version of retention to the growth and success of your business?