

Mining the good from the goodbyes

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Abstract

Purpose – This case study seeks to demonstrate how to re-engage talented employees after they have left an organization. The “Green Room” is a facilitated process that moves beyond a simple employee exit survey approach to build rapport that supports not only re-engagement, but also the identification and actioning of critical push and pull factors at play within an organization. This enables it to develop and strengthen its employee value proposition and its positioning as an employer of choice.

Design/methodology/approach – The process builds from a customized and structured questionnaire, facilitated by the use of a third party agency to encourage perceived neutrality and drive up reliability of information. The process also provides exited staff with networking opportunities, coaching and access to thought leadership in their industry and sector, providing opportunities for personal development regardless of their final re-engagement decision.

Findings – Through the provision of confidentiality and skilled third party practitioners, the Green Room process not only leads to the successful return of a percentage of previously departed key talent, but informs an organization’s talent management, recruitment and retention strategies and practices, and can significantly reduce attrition rates.

Originality/value – Highly cost effective, this integrated process provides other significant benefits over traditional exit survey practices, including the development of dynamic databases that can drive and guide process and procedural changes that are informed by genuine, rather than perceived, areas for action with regard to the push and pull factors that are influencing both recruitment and talent retention.

Keywords Employees, Employee involvement, Recruitment, Retention

Paper type Case study

We recently worked with our client, a major global technology solutions provider, on an innovative talent management project. The company had been through a period of major change that embraced re-centralization, downsizing, with an attendant impact on staff turnover, cultural change, especially the introduction of telecommuting, and the opening up of a number of major new markets. In essence, the organization had changed considerably and now needed to contemplate – and address – the issues around the whole topic of “talent” differently.

This was particularly pressing in the areas of talent retention and human capital management. Losing high performers is not just a “brain drain” on a company’s human capital, it also carries direct and indirect costs that arise from both the separation from, and replacement of, employees that the organization would prefer to retain. These costs are substantial. The direct recruitment costs alone for senior staff in my own organization typically equate to 25 percent of each individual employee’s salary/benefits package, and these figures are likely to be typical. Once hidden costs (such as “people” maintenance and infrastructure and loss of business momentum) are taken into account, this figure would be substantially higher.

More than just goodbye

One of the company's pressing concerns was that a number of high performers had been among the talent to leave the company, and that a closer examination of the "push and pull factors" that had influenced their decisions might identify opportunities to facilitate their return.

We were aware from the Watson Wyatt, 2002 European Human Capital Index survey that a range of 36 key human capital variables, in terms of practices and policies, have been associated with an increase of 89.6 percent in shareholder value where these practices have been closely and intelligently aligned with overall business strategy. Of the sub-groups into which these variables were sorted, recruiting and retention excellence alone accounted for a 14.6 percent increase in value (Watson Wyatt, 2002).

Our concern for the company was to help it to achieve these levels of alignment and to reap its various benefits, rather than to face the direct and indirect costs of human capital turnover. The retention (or re-recruitment) of key talents was clearly one path to achieving this goal.

Viewing the organization through employees' eyes

In a Change Agenda publication produced from the findings on talent management from its 2006 Learning and Development annual survey report, the Chartered Institute of Personnel and Development found that, while only 65 percent of respondents rate their organization's talent management activities as "very effective" or "effective" (the remaining 35 percent feeling that their activities are "ineffective"), 94 percent agreed that it can have a positive impact on an organization's bottom line. Yet only 28 percent of respondents reported their organizations as operating a "whole workforce" approach to talent management (Clake and Winkler, 2006).

One of the facets of the challenge that our client needed to address was the change in career paradigms – the cultural shifts in pull factors that its employer offer needed to reflect in order to re-assert its potential attractiveness. Like many organizations, this meant a need to reflect on current retention practices and to re-assess any difference in the weighting of other factors between the organization and its employees – and potential recruits. The scope for mismatch can be illustrated by a 2006 Employee Retention Survey undertaken by Talent Drain (2006) – see Table I.

By seeking to address not just the high costs of staff turnover but the loss of key talents (and recognizing that attracting returning leaders targets both issues), it was obviously vitally important not just to understand what might motivate them to consider returning, but how also to ensure that they could be "re-retained". Like any Employee Value Proposition (EVP),

Table I Mismatch between employer and employee rankings of retention factors

<i>Employer rank</i>	<i>Employee rank</i>	<i>Factor</i>
3	1	Personal growth
9	2	Cooperation
2	3	Job satisfaction
1	4	Salary and rewards
4	5	Vertical relationship
6	6	Loyalty and trust
8	7	Well-being
7	8	Organizational confidence
5	9	Career progression
10	10	Independence
11	11	Ethical standards
12	12	Working conditions

Source: Talent Drain, 2006

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any offer would have to be not only promised but also delivered – and delivered to a group of people already familiar with the company, albeit with an earlier incarnation of it.

Designing and implementing the solution

In 2007 we were engaged as an external supplier who could make contact with this target group in a sensitive, discrete and non-judgmental manner, offering career coaching regardless of their ultimate decision. We were also able to get close enough to individuals to both inform the company over cultural or process changes that could be made to its EVP (for the general benefit of the organization) and to encourage the return of key talents whose absence was considered potentially detrimental.

For the purposes of the project, the talent pool for targeting comprised those ex-staff members who achieved a score of 7.2 or higher on a 1-10 scale for both potential and performance when measured against the company's leadership standards. This score was attained from the agreed outputs and achievements acknowledged at the performance development reviews for all staff. The subsequent performance management data for each individual was used as an indicator of who should be targeted for a potential return.

We were keen to avoid the traditional exit survey approach, as we were conscious of its weaknesses – principally that is often “too little, too late”, and also that it tends to be very much a one way street, with the emphasis from the organization being firmly on identifying a justification that “it” has done nothing wrong. Equally, there is often too little intent to genuinely gather feedback and learn from the exit. There are other common weaknesses:

- Leaving employees are typically concerned not to “leave on a bad note” or damage their chances of obtaining a helpful reference for future employment elsewhere.
- The most common approach – a face-to-face interview with a company representative – tends to produce highly unreliable data, a factor that could be mitigated by use of a third party, although only a very small percentage of companies usually do so.
- An exit survey is a “snapshot” process that is often conducted at a moment when the departing employee still has emotional engagement, and often with a negative slant. They are, after all, either choosing to leave or being given no choice.

Although the project approach was therefore initially survey-based, it was not merely a survey or study but an ongoing process. Moreover, the focus was qualitative – on people, ROI, motivation and emotional engagement. The importance of recognizing the shifting nature of pull factors in the target was fundamental to this last point. Without a close and narrowing match between the organization's perceived offer and the target audience's identified requirements, the perception of the employer as “a good employer” could not be achieved and a successful return – for organization or ex-employee – would not be possible.

We also recognized the importance of being both respectful and flexible towards the interviewees in the target group. We sought as far as possible to avoid complex and lengthy methods for collecting data, as these tend to reduce take-up with compound effects on both the reliability and usefulness of the data.

Gaining reliable data

Our initial contact was not made until three weeks after the employment had ended, as this gave time for the emotional disengagement process and would allow the ex-employee to

make assessments and provide feedback and comments that were more likely to be objective rather than subjective. The contact and the process were explained to the ex-employee as simply a benefit afforded to them by their former employer. It was important not to create the impression there was another organizational aim. The "soft touch" proved vital in playing what was often a "long game" to enable confidence to grow and to enhance the prospect of bringing the individual back to the table for discussions (at some future point) about the prospect of returning.

The data compiled throughout the process and project was used to derive norms, not just for the organization itself, but also through benchmarking. The collection of objective, reliable data was therefore critically important (not least as it would help to identify and shape activity by the company in improving the strength of its employer brand). There would be no benefit in wrongly identifying poor teamwork or grievances with the awarding of promotions as areas for urgent action if the real issues were excessive micro-management and a lack of recognition.

The contacted former employee was also given a choice of completing a tailored questionnaire by mail, telephone or online, as it was judged important to minimize any potential sense of inconvenience or intrusion. Any organization seeking to eventually re-employ a former employer should be mindful of the possibility of being seen as an unwelcome and persistent intruder. The format and content of the questionnaire was designed specifically for the project, seeking to identify a variety of aspects of both push and pull factors that had operated or influenced the decision to leave, and it was not released until after completion of initial piloting.

Building a gateway

As well as providing a valuable source of feedback on a range of issues to the organization, the questionnaire also acted as a gateway to closer contact with recently departed staff, again mediated by ourselves as a third-party. The next stage of the process was called the "Green Room". Although this implies a physical location, the name was chosen for its association with an off-stage area – an area for those yet to be called to the "stage" that is designed and provided as a low-stress environment. In this context, it was actually a process – one that provided networking opportunities, coaching and access to the latest thinking and material on leadership and development and thought leadership on sector and industry-wide issues.

Critical to this process was the need to be simultaneously non-intrusive, as we were critically aware that attempting to coerce former employers into a commitment to returning to the organization would almost certainly prove counter-productive, and supportive, as this approach would encourage a more positive disposition and engender a degree of trust (which would, in itself, encourage and support gathering of more accurate feedback and responses).

A strategic investment

It was also critical that the client organization was entirely prepared to accept that the Green Room process would be an investment that might offer only a limited direct return – at least as measured in the number of percentages of former key talent ultimately rejoining the company. Even a success rate of only 5 percent would still be a valuable return. We estimated the project costs to be 20 percent of the staff turnover and hidden costs – and re-recruitment was not the only gain to be had. Although the successful re-employment of targeted former staff was "the ultimate prize", it was not the only benefit to be gained from the process.

As well as providing a means by which to nurture a fertile pool of potential returners, the use of highly-trained practitioners throughout the implementation process enabled our client to gain valuable insights into the range and relative weight of the push and pull factors that were at play. This information provided value in enabling it to identify actions that could be

taken both to increase its attractiveness and to mitigate against the negative effects of processes, actions or behaviors that might otherwise lead to the future loss of further valued talent. This data gathering and information review process also directly supported the Green Room process, by making us more acutely informed about the key issues that were most likely to affect the future career decisions of the target audience. In seeking to sensitively but pro-actively engage potential returners, our facilitators and coaches were able to draw on valuable insights into the most important factors that were at play.

Additional value lay in being seen to invest time and money in developing and supporting individuals in a circumstance where there was truly no obligation on the company to do so. This goes beyond simply being "good PR". Like our client, we were aware of the degree of social and professional networking that former employees might well be undertaking, and that examples of positive good practice and "no strings attached" beneficial behavior would help to improve the perception of the organization as a prospective employer among an audience wider than just those being principally targeted. Bad news may travel faster, but in a networked age good news is far from stationary.

Happy returns

The Green Room process currently continues with this client, but out of a total target group of 443, 16 former employees have already returned to the organization and 11 more are currently in discussion. There may yet be greater direct gains from the process, as a further 109 former staff are currently engaged in face-to-face dialogue with our coaches and facilitators at different stages of the Green Room process.

Profiling and benchmarking data is already being produced that is providing the company with a clearer picture of lost talent, including their principal reasons for departure, range of job tenure and number of years service before leaving. Data being gathered includes favorability rankings on a wide range of items with scoring against statements such as "the company gave me information about the things I needed to know", "employees worked effectively as a team" and "I was proud to say that I was an employee of this company." As well as providing comfort and reassurance to the organization on a range of factors where scores are broadly highly favorable, this is already starting to identify a number of factors that the organization can now start to address productively and constructively.

An earlier client organization for which we conducted a similar process (although questionnaires and follow-up activities are customized for each implementation) has already seen evidence of some of the longer-term benefits. A global company with locations in Europe and South America, it had been suffering serious attrition of its key performers at leadership levels, losing approximately 150 "key talents" a year. Within a 12-month cycle, the first six returners had been successfully re-engaged, but – more significantly – the talent attrition rate had been reduced by 33 percent.

Getting to the root of the problem

By illuminating multiple aspects of an organization's talent strategy, the Green Room process successfully tackles not just symptoms but underlying conditions. The use of a neutral third party is invaluable in ensuring that genuine, as opposed to perceived, areas for action are uncovered, as confidentiality is assured. The ensuing framework for performance improvement is supported by both aggregated and benchmarking data. The real-time,

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on-going nature of the process also allows the identification of trends. Issues that appear to be growing in impact can be quickly identified to enable constructive action to be taken.

In an era where the "job for life" is no longer a common possibility, the loss of key talent is a process that every organization must accept. Individuals will pursue their careers in the way that benefits them most and provides the greatest opportunities for development and satisfaction. This does not, however, mean that key talent attrition is inevitable or that it cannot be mitigated.

By focusing on the close and intelligent monitoring of the push and pull factors that are guiding the career decisions of its human capital, companies can strengthen their EVPs to not just attract but retain and reap the benefits of their most competitively advantageous asset – their people. While key talents will sometimes move on – and this can be for reasons that no company could hope to address – even the exit process can be a powerful means of ensuring that the organization can better align its talent management strategies with its objectives for future success and sustainability.

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