

**"Don't Be Cruel to a Heart That's True"**

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Today's employment marketplace is drastically different than that of just a few years back. Companies are on a hiring binge as they move to re-engineer their processes, merge with other I.S. departments through acquisitions, and replace lost employees through turnover. The rule of supply and demand has, therefore, now shifted to the candidates favor and that has affected a company's ability to attract top talent. More importantly, this has created new problems for companies trying to **RETAIN** their top talent. The cost of replacing a valuable employee is enormous so the importance of retaining that valuable employee becomes even more critical.

Is this scary? You bet! The average tenure of I.S. professionals has dropped to 1 1/2 years. This has become an epidemic and I.S. Managers need help. This presentation hopes to provide some answers by examining the reasons that employees change jobs. Concrete suggestions will be given to the I.S. Manager to hopefully prevent this occurrence and **retain** those valuable employees whose "hearts are true".

Let's begin with this survey given to both management and staff, which shows an interesting disconnect between what management feels is important to their staff versus what staff feels is important. In fact, the **top** three things that staff feels are important: appreciation of work completed, personal interest in problems, and feeling "in" on things; are the **bottom** three things rated by management. No wonder we have the problems we have.

This is my 20th year in the recruitment industry so I've heard all of the reasons why people want to change jobs. And some of those reasons have been extraordinary! By examining some of them individually, perhaps we can come to some understanding of

**MANAGEMENT vs. STAFF SURVEY \***

<b><u>Management Rating</u></b>	<b><u>Staff Rating</u></b>
1 Compensation	5
2 Job Security	4
3 Working Conditions	7
4 Promotion and Growth	9
5 Challenging Work	6
6 Organizational Loyalty	8
7 Constructive Criticism	10
8 Appreciation of Work Completed	1
9 Personal Interest In Problems	3
10 Feeling In On Things	2

*\* Study completed by Dr. Kenneth Kovach, Associate Professor of Business Administration, George Mason University.*

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what's really important to employees, what motivates, or better yet, demotivates them, why there are so many job hoppers but also why there are some people who stay forever with the same company.

Let's examine the #1 staff rating on this survey: **appreciation of work completed**. Does this ring true for you? I believe that everyone who has a job to do feels a sense of satisfaction when that job is completed. But more importantly, they want their boss to notice, recognize and appreciate the hard work and effort that was expended. This is only human nature, and it takes so little to say thank- you, give an attaboy, or notice the effort given by someone. On the other hand, it eats away at an employee when they are given the "that's part of your job and it's expected", or "I don't have time to notice". The common theme from interviews with coaches of winning teams in athletics are that they have learned how appreciation motivates their players. If you want to keep a happy and loyal staff, learn ways to appreciate them. When they've covered for you while on vacation, do you remember them with a little something? When they've gone beyond the call of duty, do you let them know it or just take it for granted? How about bonuses for projects completed that saved the company money or had a major impact on the bottom line. Be creative and be thinking about how to show your appreciation. It'll come back to you in spades. I take my whole staff along with spouses on a cruise or to a Caribbean Island when the company meets it's goal, and people say, "wow, you sure are a good boss". No, actually it's a selfish act - the payback for me is loyalty from my staff, the hard work to earn that trip, and the gratitude and appreciation in return. It's a two way street, and you can be the one to start the trip down that street.

Another priority from the survey is **"feeling in on things"**. We've heard a lot about "empowerment" in the 90's, yet to empower your employees, you need to let them in on what's going on. You need to "trust" them. Trust builds trust in return. People want to have a voice in the decisions that affect them, and more importantly, they might have a suggestion to make it work better! Lowering the decision making process to the person closest to the action has proven to be effective in many different companies. This instills a sense of ownership, responsibility, and accountability. The ads you see for the Saturn

car company certainly attest to the success of this practice.

Taking a "**personal interest in problems**" was the 3rd most important priority on this survey. This can be both personal problems and professional problems. I think this need is a product of the society we now live in. More people are affected by stress, there are more work related illnesses, and life seems to be more difficult for many people. Having a boss who "cares" may motivate that employee to solve their problem, remain in the job, and also build loyalty.

In today's marketplace of company acquisitions and corporate downsizing, "**job security**" has become a much bigger issue than in years past. People are scared every time there's mention of re-engineering, outsourcing, and reorganization. They know they risk losing their job. This is the sad commentary for the companies in the 90's. They expect loyalty from their employees but they show no loyalty in return. Can you wonder why the turnover rate is so high? A good portion of my candidates are candidates simply because they are fearful of a job layoff. A major fallout from this is that employees are not trusting their companies any longer. There has been too much renegeing on promises. I had one candidate who's boss said, "don't worry about your job, I can guarantee you won't be laid off", only to be given a pink slip the very next week! As I mentioned before, trust goes both ways. What can you do as the manager about this issue of job security? Many times, you are caught in the same situation as your employee and there's little you can do. But, if you see it coming, wouldn't you feel better about yourself if you were honest with your employees? You would want to be treated that way, I'm sure. Taking this issue from a different perspective, I also believe that you, as I.S. Manager, can impact job security. By becoming involved with the management layer that is responsible for the strategic direction of the company, learning what I.S. can do to impact that strategy, may ultimately gain the respect and recognition for your I.S. department and save it from a major downsizing. It's time the I.S. Managers learn to be salesmen for their departments and prove the worth of I.S. to their companies.

**"Compensation"** was rated #5 by staff, yet #1 by management. Perhaps management often thinks that money will buy happiness, but this rating clearly shows that it won't. Employees leave their jobs out of unhappiness due to the way they're being treated far more often than salary issues, but the salary may be focused on with the thought . . . "I'm not paid enough to be treated this way". In today's marketplace, it will be more important to look at the salary administration of your company, because if you have found that you've fallen behind, you will have a hard time attracting people and you will risk having them stolen by the company that offers competitive salaries. I'm generally leery of salary surveys because they can average out too many factors such as cost of living, size of company, different job responsibilities for the same job title. However, it is a starting point, and for what it's worth I have brought the salary survey that I produce every year for my clients, and you are welcome to it.

**"Challenging work"** was rated #6 in this survey, and I would take exception to that rating. In the I.S. field, there is tremendous creativity and eagerness to learn new things. I find this a major reason for employees wanting to leave their jobs, and would rate it much higher than #6. Coupled with seeking challenging work is the dramatic growth in technology such as client server, networking, relational data bases, etc. Today's I.S. professional wants to learn about these technologies and enjoys the challenges that this technology has to offer. This spells trouble for the many HP3000 shops with the proprietary languages, packages, operating systems, etc. The I.S. manager who is remaining with their investment in this technology because it may be the right thing for their company, will have to be creative with work projects and responsibility to keep their employees from looking elsewhere. In the employment marketplace today, the largest demand is for the HP3000, COBOL, IMAGE and VIEW programmer analyst to maintain the legacy systems because those people are leaving in droves and there are few people who want to replace them. This hiring and retention challenge will be significant for those companies that fit this profile. When I do encounter I.S. employees who remain in their companies for a long time, it is often because that company has learned how to create new challenges for their employees, develop their skills, and offer them career growth.

Good "**working conditions**" are important to the retention of employees and it's sometimes a subtle thing. The saying, "it's the knats that get you, not the elephants" applies here very well. It's often the little things that get under your skin, that start to fester that can be the straw that breaks the camel's back. If your work environment is not conducive to productivity, you could be asking for trouble. Things like crowded work space, noisy areas, bad lighting, non-ergonomic furniture, dirty or cluttered work environments are things that I've run across as the "knats" that ultimately cause someone to quit. Pay attention to these things and you may prevent yourself some needless turnover. On the other hand, you can be proactive about this and make your work environment one that people look forward to each day. Making it a happy place to work as well as clean, efficient, and organized will help to motivate your employees.

This survey talks about "**organizational loyalty**", but I wonder how much of this exists in today's market. I find that loyalty has been lost by both the employee and the employer. Companies complain about loyalty, yet have shown very little loyalty to those long term employees when the acquisitions and down- sizings take place. The employees have gotten the message that they need to look out for themselves and their career, because no one else will. This unfortunately has fostered a separation between employee and employer that wasn't there many years ago. You may say that you as an I.S. Manager don't have a say-so about what a company is going to do. But I believe that you can have an impact. I touched on this earlier, and I reiterate that today's I.S. Manager has a role and responsibility to demonstrate to management how I.S. can help the company achieve it's corporate objectives and be competitive in the marketplace. Being creative with ways that I.S. can benefit the company will bring I.S. to the forefront, make it part of the overall strategy of the company, and help to create an I.S. department that is crucial to the well being of the company. This aggressive posture by I.S. management will not only create the kind of department that people want to work in, but will create the loyalty for people to remain.

This survey gives "**promotion and growth**" a #9 priority, which in the I.S. arena I would also rate

much higher. Many employees leave jobs because they feel stagnant, have gone as far as they can go, and have no career path to follow. As I said before, I.S. professionals are creative and want to continue to learn and grow. In today's marketplace of "flat" organizations, promotional opportunities are limited, however growth opportunities abound with all the new technologies that are bombarding the I.S. professional. In fact, it's hard to keep up with the many changes that are occurring so rapidly. The successful companies are retaining their employees by reorganizing their departmental structures to enable promotional opportunities for those who increase responsibilities but not necessarily move into management. Having a technical track within which to progress as well as a management track makes sense. In fact, a good friend did her Master's thesis on just this issue for Motorola which now offers this kind of human resource structure for their salary administration based on the work that she compiled. Growth within a position without title upgrades can also work, given the newness of responsibilities and authority. Examine your department structure to see if there is any room for improvement or creative ideas with which to retain those employees who excel.

Finally, the 10th rating on this survey is "**constructive criticism**". This issue can be controversial because there are many who believe that there is no such thing as constructive criticism, that all criticism is destructive, and that it does not make people feel better about themselves. The belief is that criticism tears down self esteem and confidence and keeps people from taking risks. Tom Peters says that the companies that will excel in the future are the ones that take the most risks and make the mistakes that may go along with those risks faster. That way they can recover from their mistakes quickly and move on. A pilot "positive reinforcement program" where people were encouraged to think well of themselves instead of being reminded of their shortcomings had astonishing results. Absenteeism decreased 3% equaling \$180,000 in savings and the company's lowest division moved to the top in two years. My personal belief is that by playing on your employee's strengths rather than their weaknesses, you will develop a more confident and productive employee. Now, as far as retention is concerned, do employees leave jobs because their boss criticizes them? Yes, they do. I have seen many candidates on the job market because their boss is

volatile, can't handle the management stress themselves and take it out on the employee, lose their cool or blow up. That's no way to treat a professional, and most I.S. people are professionals. So, if this hits home with any of you, learn how to handle the stresses of management, how to criticize without demotivating, and you may not be faced with a turnover issue.

A common yet overlooked issue on this survey is a **match of management work styles** to that of the employee. This is something that should be addressed in the interview so that a mismatch doesn't occur later on. The most successful management style that is touted in the 90's is the participatory style where you gather consensus, ask for opinions, yet ultimately make the hard decision once all the data has been gathered. If you enjoy working with this style, ask the manager about their style in the interview so that you can determine a match ahead of time.

**Training** and new technology go hand in hand in the 90's. With so much coming at a new employee, training is critical to their success and to the ultimate success of the I.S. department. If you expect your employee to learn on their own, or read the manual, you're doing your company a disservice by slowing down the potential productivity of your employee. Push for your training budget, take advantage of low cost training like user groups, use your in-house experts to put on training for the rest of the staff, but make sure your staff gets the necessary training. The disasters I've read about in the many re-engineering projects today are often due to lack of training. More importantly, people are most happy doing what they know how to do well. They will be less frustrated, feel like they can make a contribution, and build their self esteem - a benefit for you and your I.S. department! Just make sure that when you send your employee off to training that you are open to the ideas they come back with. Try to implement what they've learned, and don't shut them down with..."but we've always done it this way". Being open minded yourself with the new ideas that are given will only add to your success. I always weave the importance of training into most all of my presentations because I strongly believe that this is so critical for the future of this industry. And no time has it been more important than now, when all around us we're being barraged with new technology.



What is the best platform - open or proprietary; what is the best operating system-MPE, UNIX, or NT?; what about the various RDMS and which one to choose; how about all that "middleware" and when is it best to use it. Most I.S. professionals are overwhelmed with the technology that's out there and they're expected to learn it and learn it quick! Without proper training, adequate training budgets, and implementation of the training you're going to have inadequate staff ill-equipped to handle the critical issues of today's and tomorrow's business challenges. With the cutback of resources in today's tight market, let the training budget be the LAST budget to be cut.

Let me leave you with a story - a true one at that! There was this technology corporation that was seeking a breakthrough which would give their company a competitive edge. Because this was a make or break situation for this company, the entire staff was hard at work to achieve this goal. One day, the president of the company was in the lunchroom having lunch, when one of his technological genius's suddenly found the answer to the problem. He had broken through the barrier and discovered what they were all looking for! The president was obviously thrilled and wanted to instantly reward this employee for his achievement. In his own excitement, the only thing he could think of saying was, "Here - take my banana!" The recipient of that banana was so pleased with the recognition by the president of the company that he put the banana on his shelf for all to see. It turned brown, started to smell, but he wouldn't throw it away. When the president stopped by and saw this, the symbolism suddenly hit him. He immediately went out and bought a little banana pin to pin on his "top banana" employee. And that 10 cent pin became known as the highest badge of honor in that company.

So the moral of this story is corny but real . . . don't be cruel to a "heart that's true" if you want to keep your "top bananas"!