THE GREAT RESIGNATION

A story full of lessons

We're calling it The Great Resignation and it became up close and personal for me just a few days ago. I received a call from one of our former employees and she told me she had just resigned from the position she left us for about a year ago.

Isabelle had joined us about two-and-a-half years ago as a promising junior and her career plan with us was to learn a lot about organizational development and complete her degree in Business and HR Management. Then she was going to look for a generalist HR position. As she was young, very bright and very well organized, I was also hoping she would bring fresh new ideas into our consultancy – and she certainly did.

So, after about 18 months with us, it was with mixed feelings on my part that I learnt she was leaving us for a full-time HR generalist coordination position with a dynamic company making high-tech products for cities and towns all over North America. I was pleased to have helped her find what seemed to be the job of her dreams, coordinating a whole range of HR services and reporting to a very dynamic boss. But I was sad to lose a great employee who had made a significant contribution to our business. After she left, we stayed in frequent touch with each other.

Then, a few days ago, she called me and told me she had left her "dream job" on very short notice. Naturally I was very interested to find out why. As we talked, it quickly became obvious that it was the management style that was the root cause of her leaving, specifically, a lack of communication and recognition for her work. During the year, her HR Director, who she greatly respected and to whom she had reported, resigned. She told Isabelle that she had grown very tired of not being listened to by her boss, the company President, and not being able to implement critical programs to improve the company's employee retention rate. So, Isabelle was now doing everything in the HR department and reporting directly to the President. She saw very little of the President, despite now being in charge of many critical projects and programs. One of her many responsibilities was to conduct exit interviews and the key reason for employees resigning was a lack of communication and especially of recognition from their immediate superior. Naturally, she had ideas to improve the situation and was in a unique position to see the high costs of recruiting and onboarding new employees. But she couldn't get air time with the President. After two months as the de facto Director of HR, she realized that she was doing a Director's job, but still with the title and salary of a junior coordinator that she had started with.

At her first attempt to have her position recognized with the more appropriate title of Senior Coordinator and a corresponding increase of salary, the President brushed her off with little discussion. When she tried again with a more modest counter offer, her request to meet him was not even acknowledged. Meanwhile, she was doing the job of both an HR Director and HR Coordinator, writing new policies, administering salaries and benefits, recruiting on an increasing level as people left in significant numbers and squeezing in all-important exit interviews. Then she had an epiphany: she was feeling the same as all or most of the employees who were leaving, she was getting little communication or recognition from her boss. It wasn't the job itself which she still enjoyed, despite its pressures. It certainly wasn't her fellow employees who she respected greatly and had grown to like personally. She felt her management didn't care about her contribution. So she abruptly resigned with the bare minimum of notice. She had joined the Great Resignation.

It's often said that people don't leave jobs, they leave bad bosses, and it is certainly frequently true of today's young professionals in the first half of their careers. The trend probably started in the last half of the last century. A wave of recessions and boom and bust cycles broke the "psychological contract" that had existed in the post second world war period. Basically, until the 1970's, if your performance was satisfactory, you were more or less certain to have a job for life. Then everything changed. Each time the economy took a dive, even excellent employees found themselves out of a job and the sense of loyalty that the "job for life" had inspired evaporated overnight. Fast forward to the 21st century and young professionals had vivid memories of their parents working hard, only to often find themselves out of a job despite being excellent performers. Jobs more and more had a temporary feel about them and the "gig economy" was born.

Now, on top of all that, factors such as the massive wave of retirement among the Baby Boomer generation, the increasing cost of living and especially of housing, plus the Covid 19 pandemic have once again changed the rules. Employees now have the upper hand. This is reflected in the priorities our clients most frequently mention to us: attracting and retaining talented employees.

But some organizations are doing much better than others and, when we look at why they are able to attract and especially to retain good employees at all levels, we find that key organizational traits centered around communications and recognition strategies make a major positive difference.

When organizations get internal <u>communications</u> right, they always see improvement in attracting and retaining their employees. Some of the specific things they do well are:

✓ Have a well-designed onboarding process. Management, right up to the senior level, meet and welcome new employees. They set clear roles, responsibilities and key expectations. Critically, they emphasize the organization's values and the new employees quickly see that management and all employees are constant role models for these values.
✓ Management levels are as flat as possible, which means that problems and opportunities can be quickly identified and communicated up and down with a minimum of "filters".
✓ The "silo mentality" is discouraged. Cross-functional teams are the norm and employees at all levels are actively encouraged to spontaneously share information with other departments and divisions.
✓ Performance feedback is immediate and constructive, whether it is to congratulate an employee on a job well done or to let her or him know that something needs to be done better. The yearly review, if it is still deemed necessary, then becomes a piece of cake because there are no surprises. Everything has already been discussed during the year.

When organizations get <u>recognition</u> right, they show many of the following features:

- ✓ They tend to recognize team performance as much as, if not more than individual performance.
- ✓ They use varied approaches to recognizing good performance, placing an emphasis on informal, non-monetary strategies, rather than financial incentives.
- ✓ Recognition is always rapid, closely following the good performance in order to reinforce the likelihood of the performance being repeated and becoming permanent.
- ✓ It is always tied to specific behavior and is never vague. Your employee has to know exactly what he or she did well and also, exactly why it was important to the team, the client, or to the organization as a whole.
- ✓ Important, but less so, their remuneration programs are competitive with similar organizations and are frequently part of a modern package of benefits. These may include hybrid models of working, flex time and cafeteria-style benefit programs with the employee choosing the combination that matches her or his personal needs.

When we are asked by a client to help them improve their capacity to attract and retain talented employees, at both management and non-management levels, we always start by measuring the organization's overall culture, most frequently by using Human Synergistics' OCI™ Culture survey. The OCI shows how good the organization is at designing jobs with as much autonomy as possible given to individual employees. This is one of the key factors in attracting and retaining employees. Another factor is the organization's ability to welcome and implement new ideas and ways of doing business. And the OCI gives a lot of weight to how well the organization communicates with employees, continuously develops them and recognizes and rewards good performance.

When the results of the survey are in, we often find ourselves assisting our clients to develop the leadership skills of the Senior and Middle management team. Each member will set up his or her confidential 360° profile and may then elect to enroll in a special Targeted Coaching program to fine tune their abilities, very often in the areas of communication skills and strategies to recognize and reward good performance.

Good communications and excellent reward and recognition strategies sound simple. But simple does not mean easy. Changing an organization means changing the way people think and behave, especially with the senior management team. This might seem daunting, but the alternative is the high cost of recruiting and training new employees, often calculated as being between $50,000 and $200,000 per employee, depending the employee's skill set and management level. Investing in a culture that attracts and retains employees costs "peanuts" compared to ignoring the problem and hoping it will go away. The problem won't disappear, but your good employees will. And they will spread the word to their friends.

And Isabelle? It only took her three weeks to find a position that is a much better fit, gives her huge autonomy and - the icing on the cake - a big boost in salary.