

# People Matters

Issue 8, July 2005

This month's topic is about retaining the people that are good for your business. Sometimes 'retention' is taken to mean having no staff turnover, which is incorrect. What you want are productive and happy people. This article briefly discusses an easy and effective way to do just that.

The cost of losing someone valuable is between 150% to 250% of their salary package. This is based upon loss of knowledge, bringing to book contingent liabilities, the general disruption as other people try and fill the gap, management time to recruit again, the cost of advertising, etc.

Next month People Matters will look at Performance Management.

## Skills Development

A reminder that our annual JOD™ and Appraisal 'refresher' workshops are taking place on Monday 8 August. These are ideal for newer managers or supervisors and there are still a few spaces available.

Because we work with a variety of people and businesses we may know the right one for your next skills session. Whether its strategic planning, speed reading, one on one coaching, customer care, computer training or something else, we may be able to recommend someone that suits your needs.

**“If You Do Not Change,  
You Can Become Extinct”**

*Quote from Who Moved My Cheese?  
Dr Spencer Johnson.*

Do you have a question you would like answered? Let us know - your suggestions for topics are welcome.

## Retention

There are two main factors in retention. The first is recruitment and the second performance management.

Before you can retain the right people, you need to recruit them. Using a variety of tools will give you a better chance of a positive outcome. For example:

- Use the JOD™ to confirm responsibilities, KPIs and competencies
- Understand your culture, the behaviour and attitudes you want to see and ask questions about recent past behaviour - a reliable indicator of future behaviour
- Profiling tools, eg McQuaig (available through People Dynamics) can assist
- Ask 'open' questions that the candidate can not respond yes or no to.

AFTER you have your questions answered, give a realistic picture of the job and the environment – there can be a temptation to oversell but misrepresentation is often why people leave soon after starting.

Managing performance begins before hiring by understanding what is required. Then use the induction process and the probation period to ensure your candidate fits – remember attitude is frequently more important than skills.

Manage/monitor performance and behaviour against the role and your values via the appraisals. Use this as part of a regular communication process.

Getting these right gives you R2R2 – right person and right role, improving both your retention and team spirit.

If someone else in your business would be interested in People Matters let us know and we will forward a copy to them.