

MANPOWER RETENTION IN IT- AN OXYMORON?

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"Retention of people should be considered a business goal rather than a damage control measure."

by Sunil Tadwalkar and Manjira Sen

There was a time when silver and golden jubilees were recognized and awarded "Long Service Awards". The latest in the IT industry is that Long Service Awards are being given to employees who have actually completed a year. And mind you, a year in IT is like an eon elsewhere – sort of the concept of one man year being seven dog years. And of course crazy deadlines- time zone issues and true justification of "working like a dog". The difference of course, being the loyalty factor. And the concern being- How to create that loyalty? It obviously cannot be secured with one meal and two walks a day – so what is it that would help the industry create loyalty?

Words such as creativity and innovation enter the scenario at this juncture. Organizations are now endeavoring to "create" "innovative" approaches to retain manpower – and battle the situation of losing out on superior performers. Day in and day out there are situations being created – wherein the organization need to face the client and tell them their favorite resource is no longer available. (Of course, if he looked a little further he may just spot the same resource working at the client site – status changed from contractor to employee!) That is the whole game- gone are the days of ethics and customer satisfaction. The first step today is employee satisfaction. And yes – they are no longer employees, but Internal Customers!!!

Where it all started from...

It is not really rocket science that the right man at the right time for the right job is ideal for the success of any enterprise. However, although organizations such as Pricewaterhouse Cooper have made discoveries such as a strong link exists between employee retention and the quality of service delivered by the IT Organizations to their clients – a permutation of all the three factors above being available is not just a rarity – it's a miracle. Any Economist worth his salt would quote the four Factors of production as being land labor capital and entrepreneurship – but this is an industry that is absolutely Labor intensive. Oops – Manpower dependant! The factors of production and the raw materials both being man "power" – and with most of this power being outsourced from nations such as India and China- conflicts and attritions are bound to be there and control would be an issue. But the paybacks in these cases obviously outweigh the issues – affordable labor with high skill... so how does one retain this?

The way the industry is headed...

The irony of the industry's situation is that the most vital Factor of Production is also the most undependable one. There was a time a man would proudly claim how many years of service he put into his company – today it is more of how many companies he can fit into one year of service. Every jump ensures the factoring of an increment for the same job done at a more responsible role. Right moves made at the right time help climbing the corporate ladder at an unbelievable pace.

On the other hand mergers, resizing and technology changes are the order of the day. A worker rarely knows the tomorrow and what lies between him and the pink slip. Multiskilling may seem a viable option – but for a job demanding high levels of specialization – is this really possible?

Striking a balance between the employer and the employed forms the framework of working out a solution that would keep both parties happy. To repeat the cliché “the only thing constant is change” – and it is this change that must be employed in approaches as well as ruses to not only retain manpower but also have them work at their complete potential. A look at the mindset of the average IT professional would give a clear picture of how this works:

Displeasure is created for multiple reasons in the work environment. Before actually examining these reasons – the general trend of the IT employee is thus:

- Step 1:** At the 1st occurrence of displeasure the associate shows a degree of tolerance
- Step 2:** At the 2nd occurrence of displeasure the trigger is set off to assess his/her own market value- in short weighing of available options
- Step 3:** At the 3rd occurrence of displeasure he/she will firm-up mind for leaving the organization
- Any further step:** After more than 3 occasions of displeasure he/she would be sure to leave the organization

The Root causes

Money Money Money

Every subsequent generation joins at a higher salary. Thus every previous generation is exposed to the fact that his/her junior has joined at a pay that is more than what they got- or maybe even get. Completely restructuring payroll is not a constant activity- hence the best option for an employee is to move on to a place where he can get a better pay. Another factor here is the hot skills of the day- there is always someone willing to pay more for you if you are skilled in a technology that is the current favorite.

The Bench Warmers

It is of course not a perfect world. So very rarely are the numbers of projects in an organization exactly equal to the number of resources available for the same. The Result? The Infamous Bench. But how long is it possible to combat wants gainful employment coupled with the perennial fear of having to explain project gaps in ones Curriculum Vitae? With frustration levels on the rise with every passing day- it is a whole lot more sensible for an employee to simply move to an organization that would actually use them- and that too with a hike!

People vs. People

More often than not employees quit managers rather than organizations. When a number of people are thrown together in an intense environment with high pressures and stringent deadlines-tensions are but natural. And in between all this if an employee feels sidelined or feels that he/she are not getting their due

respect/returns – discord is unavoidable. However social a creature mankind is, getting along with everyone is not possible. There are always some employees who leave disillusioned and disheartened with their superiors.

Nobody cares

Who are the stakeholders in an organization when it comes to employee satisfaction? Managers? They are busy firefighting and pushing project schedules and pleasing clients? Human Resources? Well- what can you expect from them when you give them 20 new skills to recruit in a day and ask for impossible amounts of resource ramp up! Peers? Well- aren't they in the same boat as you? Then who is there to look after the employees' interest?

Easier to just move on to an organization where the ambience looks more rosy!

Career progression – a Myth?

With the obvious pressures of client deadlines and stakeholder satisfaction, very often the interest of the employee takes a backseat. The typical function of OD becomes redundant with recruitment being the main HR activity of the day. Planned activities such as training and mentoring, career charting as well as employee progress are completely neglected. Even when implementation of models such as PCMM mandate these activities, these move to the back burner once the desired level/certification has been achieved.

Going home at the end of the day- with a smile...

There is a difference between doing ones work and achieving something at the end of the day. Every employee has a dream to work on project which can provide tremendous learning, especially on hot technologies. Some employees feel that organizations don't provide adequate training or opportunities to work on variety of technologies to widen the experience and at the end of the day work gets monotonous

Also...

One of the major attractions of an IT job is the opportunity to work overseas and earn well. Very often one sees one's peers getting such opportunities and due to various reasons does not end up going themselves.

Time differences with client locations cause unearthly working hours and very often it is a problem especially for the fairer sex, who form a large percentage of the IT workforce.

Retention – How?

The first question to be answered here is "who" is responsible for the retention of capable manpower? Who bears the onus of ensuring employee delight – and who would take a stand to protect employee interests?

It is quite easy to point fingers at the HR department and shift the blame onto them. But the core lies not only with the people who recruit – but also the people who actually hire! A combination of Senior Management- intermediate management- Human Resources and most importantly the resources themselves should form the basis of any retention strategy that would be designed to check attrition of

manpower. Strategies should revolve on prevention rather than disaster management.

Which is the adhesive that would glue together MY organization?

Just as different adhesives suit different materials and surfaces- different retention strategies are required for different organizations. Cultural factors, people factors, economic conditions and the ambience in the organization all play a vital role in the actual determining of the path to be followed. In fact – this is not an easy task. It calls for an actual study of the organizational behavior under careful conditions. There is no single solution. It differs from organization to organization and people to people. The solution lies in the monitoring of the “appropriate” measures rather than the “right” ones.

What DO employees want?

The basic simple truth is every human being needs to be valued. Whether an employee or a friend or a family member – when a contribution is made- recognition is what one seeks. And fairness is what one demands.

Thus, when a member of the corporate family is putting in nine hours a day- he has some expectation that supersedes the salary cheque at the end of the month. He wants to belong-and to know that he matters and actually makes a difference. He needs that umbilical cord of connection to the organization – to communicate and be communicated with- and to know that his ideas thoughts and creativity do matter.

Of course – the financial component too plays a major part – because at the end of the day- if that’s not there – then has he really been recognized for his worth?

Keeping those antennae on constantly....

Mood swings, ups and downs are part of every human nature. So – put together a large number of people – there is bound to be a collection of changed moods, complexities and touchy situations. And in an environment conducive to complete influencing of peer's thoughts – the chances of mass changes in attitude is something that cannot be avoided. The detection of the "organizational mood" is an important step in keeping the people of the organization satisfied.

Gauging the organizational mood is not an easy procedure. It calls for the eyes and ears being constantly open and setting up a mechanism to capture responses and feelings of the organization for every strategic decision taken. But just a mechanism to capture the sensations would lead nowhere – it would also call for a platform where every employee can voice their opinions, aspirations and of course frustrations!

How open is the "Open Door Policy" really? We hear a lot about it in context to the latest IT organization culture – but at that level how prepared are the managements really to listen to where they have been going wrong? How much have we conquered bureaucracy? Do 360 degree appraisals, open forums and mentoring really lead anywhere?

A large part of the responsibility lies with HR- to actually transform from a "recruiting machine" to actual "Human Resource Development". So much has been put into studies o organizational behavior and organizational development- tools, methods and procedures are lying ready and waiting to be used. It's just a question of "are we ready to transform?"

THE RULE BOOK

High Motivation and Morale = High Productivity

Happy people work better. The more one loves the job- the better one does it. Thus, if the motivation levels are up and employee morale is high – higher levels of productivity are guaranteed. A reciprocal symbiosis of the employee being proud to belong to the organization and vice versa is a sure shot dose of adrenalin for the employee to put in whole and soul into his work and ensuring maximum output. Other factors such as minimizing red tapism and cutting out bureaucracy also motivate employees to work on accelerated morale.

Human resources are "human" resources

Recognizing the individual capacities and abilities and appreciating each employee for who he is and what he contributes is an important step towards achieving organizational development. For this, the organization is completely dependant on the breed of managers known as "reporting managers". Higher echelons in the organization cannot know each individual as interaction levels are minimal. Thus, it is up to the middle level management to handle day to day crises and evaluate the resources who report into them. Proper handling of each person and knowing traits and assets as well as boosting them to overcome drawbacks, identifying areas for improvement and mentoring them through the same are all important tasks to be carried out by middle management.

This especially holds true with respect to IT , as pressures are high, deadlines are impossible and very often it is not possible to get a resource that is 100% fit for a particular job. It is on these occasions that the role of the mentor gains prime importance to encourage the resources to put in their best and minimize frustrations.

Being a part of a winning team

Teams achieve what individuals cannot. They collect the strengths of individuals and create a winning combination to overcome barriers that an individual cannot. But teamwork also requires powerful motivation for employees from their care takers to put the best of the group ahead of their own self interest.

An important part of the basic team structure is the reduction of dependence on specific skilled resources and encourage the performance of the team as an entity. Adoption of this team culture needs to be seen more and more across IT organizations – as projects succeed only when teams succeed.

Recognize – and Acknowledge

Nothing motivates a person more than recognition. A structured system of rewarding deserving resources is not only a way to ensure enhanced performance from the individual, but also motivate other members of the team to strive towards this recognition.

However, the focus here is on the “structured” method – following a science that recognizes deserving candidates irrespective of the “type” of contribution they make towards the team’s success. Issues of fairness and partiality, individual bias’ clouding decisions are all evils that need to be looked at while framing a reward structure.

Benefiting from Benefits

Is your benefits package giving you the payback you deserve in increased employees morale and delight? Chances are, it may not be. Employees shall have realization of employer’s cost of the benefits they receive.

Retain or Recruit? A Cost Analysis

Most of the HR functions of IT organizations spent more than 50 % their time and energy in hiring new resources without investing much time in the way their human resources can be retained.

Fact is, it takes 25 to 30 % more for organization to retain the existing qualified resource as compare to spending more than 50 % in getting new resource as a replacement of an existing resource.

Human Resource Department – a focus on OD

HR Gurus across the world have been stressing on HR being a catalyst for organizational excellence. Initiatives taken by HR with a focus on Organizational Development as a major initiative calls for focus on non core activities that help motivate an employee to get a sense of belonging to an organization – and a feeling of excitement to come to work everyday.

Learning activities from affiliations with recognized learning centers, development of soft skills and honing the same with the help of qualified professionals and charting a career growth path based on an individual’s abilities and skills all encompass a successful employee satisfaction program.

And a satisfied employee rarely leaves.

Communicating the right things - at the right time

For someone to feel a sense of belonging – it is important not to feel left out. Thus, transparency in dealings as well as involvement in decisions are important communication channels that need to be open at all times. It is vital for resources to be aware of the directions that are being taken not only in their unit, but also across the organization. The content and timings of communications are important- to touch the employee at the right place and the right time – to ensure a stress free work culture. And a profitable one.

Adding rungs on the promotion ladder

One of the main satisfactions of achievement is derived from a promotion. However, the organizational structure of all organizations may not be conducive to frequent promotions or increments in job responsibility.

An interesting solution has been adopted by some medium size private organizations. They have created several small steps in the progression ladder instead of large leaps in position. This enables their resources to get promoted quite frequently, almost every year. This not only provides a defined progression path to individuals with incremental benefits – and also the satisfaction of recognition.

Higher welfare lesser farewells

Perks of the job are major indicators of employee satisfaction. In the IT culture, it is not uncommon to have both members of the family engaged at work for 8 hours of the day. High pressures of the job surmount to individuals stretching to their utmost capacity and often require impossible working hours. Sensitivity to these issues by going beyond the workplace is an important function of OD. Hosting of fun events, providing facilities such as daycare and transportation benefits are all contributors towards an organization with minimal attritions.

Building the trust

Building a trust level with employees is a great task and requires lot of transparency of operation in IT Organizations. Trust forms the strong foundation for building confidence levels of employee and motivation and it pays off by getting latent energy, the extra effort that employees voluntarily invest in work. When trust exists in an organization among each other then almost everything else is easier and more comfortable to achieve. Recent studies show that organizations in which employees trust top management had earned shareholder return higher than those whose employees lack confidence in management. A five percent increase in employee loyalty can increase profits by as much as fifty percent.

Losing ones mentor

As mentioned earlier, the reporting manager of an employee is his link to the organization, his sounding board for his problems as well as his mentor. Frequent changes in assignment couples with frequent changes in reporting managers cause a lot of concern among resources. Not only is the feeling of having a fair appraisal questioned, comfort levels that are established with recognized mentors are also destroyed. All this adds up to uncertainty about the future and a feeling of dissatisfaction.

Empowerment – the word of the day

Empowerment brings responsibility. Thus empowerment serves as one of the most powerful tools of employee retention. If employees are involved in organizational aspects such as participation in decision making processes, implementation of certain best practices for which they get ownership, it creates a sense of belonging within the person and a reluctance to leave the employer if the option arises.

Managing Retention: The Role of the Manager

As every person differs from the other, there is no standard recipe to handle an employee and his requirements. However, the reporting manager of every employee is his connection to the organization. Researches conducted across several organizations have consistently validated the reality that the manager plays a significant role in influencing the employee's commitment level and retention.

There are a number of retention practices managers can use to increase the probability that an employee will remain committed to the organization over time. These retention practices reflect the manager's attitude and actual relationship with his teammates.

Most organizations ask their managers to place highest priority for client delight, productivity and timely delivery undermining delight of their employees who actually run the show.

Good retention practices work on a two way give and take- based on not only what the employee contributes to the organization, but what the organization gives back to the employee. One such tool would be for managers to be assessed on the success rate of retaining employees of their unit as one of the competencies of their Key Performance Indicator (KPI) over a period of time. Finally such performances could be linked with their incentives. When managers are held accountable in this fashion, it ensures that the motivation to examine and enhance retention practices is ever present.

While some enlightened leaders balance the needs of the organization with the needs of the employee, the truth is that these leaders are rare. Though managers play a very crucial role in retention, they do not control all of the factors that can affect attrition. Therefore, the second component represents the organization's responsibility in the retention equation.

An ideal combination of the Organizational Retention Systems and managers' positive attitude towards employee retention, when working in a complimentary manner rather than contradictory manner is the best recipe for achieving organizational objectives.

Measurement and Accountability

In order to take appropriate measures and counter act the attrition in an organization, it is vital that the organization knows what exactly the numbers it is

battling are. Closely linked to the other components, this component ensures that retention becomes an on-going priority. Many IT organizations do not even know what their attrition rates are. And those that do often lack enough data to pinpoint where the problem is most severe, or to uncover the specific causes of attrition.

For example, those organizations that measure attrition sometimes do not track it by length of service. The tenure patterns of the departing employees can reveal valuable information concerning the potential causes for attrition. Additionally, many organizations do not track attrition by occupational group other than by "manager" or "non-manager." This simple segmentation is often a crude one that does not provide the organization the refined information it needs.

HR has a major role of doing root cause analysis of attrition rate and taking quick preventive actions to address major causes of employees leaving the organization and by seeking support from the senior management.

Measurement goes hand in hand with accountability. Organizations must hold their managers personally accountable for retention. Likewise, they must hold their corporate staff accountable for developing, maintaining and upgrading their retention systems. When retention is relegated the status of being a "HR issue," it often falls to the bottom of the priority list for managers.

PCMM – leveraging Best People Practices for organizational benefit

The People Capable Maturity Model published by Software Engineering Institute, Pittsburgh, USA is one of the powerful quality models which have integrated the best practices in the area of competency building, team practices, career planning, mentoring and compensation. All these practices address most of the common issues of human intensive IT industries. Implementation of the PCMM would address a lot of the gaps that cause employee attrition.

However, it is important for organizations to ensure that these steps are not taken just for certification purposes – and fall through as soon as that is achieved. PCMM can be leveraged as a powerful tool for creating sustainable strategies to address business goals. A Bi-annual assessment at least is vital to ensure continuous improvement and innovation and to draw maximum benefits from the model.

In Summary

The IT Organizations earn their bread and butter through human resources. Retention of people should be considered a business goal rather than a damage control measure. In order to be effective, retention strategy not only requires a joint effort on the part of managers, senior managers, Human Resource managers, Training and Development managers and individual employee but also requires continuous surveillance to ensure that it sustains and succeeds to meet the organizational objectives.

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Ubiquity, Volume 6, Issue 14, April 26 -- May 3, 2005

<http://www.acm.org/ubiquity>