

Five Attrition Factors and What You Can Do About Them

BY GERALDINE GARNER



Regardless of economic conditions, top engineering talent always has other career options. During a recession, less attention is usually paid to attrition. However, retaining your best talent is imperative for current and future competitiveness. There are three primary reasons. First, attrition is costly. Estimates place turnover cost at 125% of salary. Second, most companies are very lean and their technical “bench” is not deep. The loss of one key person can hurt business. Third, regardless of the economy, Baby Boomers will retire in the next 5–10 years; their trained replacements are in short supply. The bottom line is that retaining talent is good business. In order to retain top engineering talent, it's important to understand why they leave.

Here are five factors that lead to attrition along with strategies for dealing with each.

1. People and Communication

It is often said that employees don't leave organizations; they leave people. This is a common reason for resignations. Friction or frustration can result from conflicting communication styles or misunderstandings between managers and employees or among coworkers. Is this happening in your organization? Do you have more attrition from a particular engineering group?

Organizational communication styles can also contribute to attrition, particularly if communication with employees and developing employee relationships are not priorities. Attrition can be the price paid for lack of communication with employees. It's important to remember that your best and brightest will leave for organizations where they feel welcomed and valued.

Strategy: A key strategy is clear, concise communication from the top of the organization about business goals and expectations. This is crucial when placing priority on employee relationships and talent development. Clear expectations are

paramount. If everyone is held accountable for respecting others and contributing to their development, the culture will quickly be enhanced. However, managers can't be held responsible for development of others if they're not clear on how their own career will develop. Therefore, companies should have an ongoing process for developing managers for future leadership roles. As managers learn what is expected of them and what to expect of their direct reports, they'll be better able to develop others. To assure that new processes and procedures for developing talent are fully implemented, many companies tie compensation and advancement to talent development. This strategy assures accountability for desired changes.

2. Work Assignments

Work assignments are another key to retention. Turnover can result from work that is repetitive and boring to assignments that don't allow sufficient work-life balance.

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Among young engineers, boredom on the job is often the reason for leaving an organization. For many engineers who are expected to work exclusively on spreadsheets and databases, boredom develops quickly. Yet this is often a common initial assignment for engineers to learn the organization and how it works. While it's important to learn the organization, the nature of the assignment can result in the intended lessons being lost.

The reverse can also be a factor. Assignments that are described as “24/7” place significant strain on engineers and the people in their lives. Without recognition and periodic relief, engineers in this situation may leave. Demanding assignments can't always be avoided, and they are important factors in an engineer's career growth. However, like the boring assignments, demanding assignments can take

a toll if they're the only type of assignment that an engineer has.

Finally, a mismatch between the engineer's skill set and the skills needed to perform an assignment can contribute to attrition. Working in an area that relies heavily on a skill that an engineer hasn't fully cultivated or doesn't possess can lead to frustration and ultimately attrition. The reverse is also true. If an engineer exhibits a unique skill needed by the organization, management can become complacent and let the engineer perform the task continually without offering other growth opportunities or cross training other employees in this area.

Strategy: Some work assignments can clash with your goal of reducing attrition. Look at the type of assignments that your engineers tend to leave. Are they repetitive? Are they overwhelming in terms of time demands? Have the people doing a certain type of work, such as CAD, been placed in a box? Do they want other

opportunities within your organization? Research has shown that commitment is related to assignments that provide challenge, responsibility, and autonomy. Working with managers and human resources staff, it's advisable to redesign work assignments in areas experiencing low retention.

To assure that work assignments are related to current and future business needs, conduct periodic reviews of the engineering and “soft” skills needed on the job and for advancement. Also identify skill gaps within specific work groups and the organization as a whole. These critical skills, and the strategies for developing them, need to be clearly and consistently articulated to employees by management and HR.

After the skills have been identified, they should become important factors in recruiting engineers whose skills match

the company's needs. This approach not only reduces training time but also allows a new engineer to make productive contributions more quickly, leading to higher job satisfaction and lower attrition.

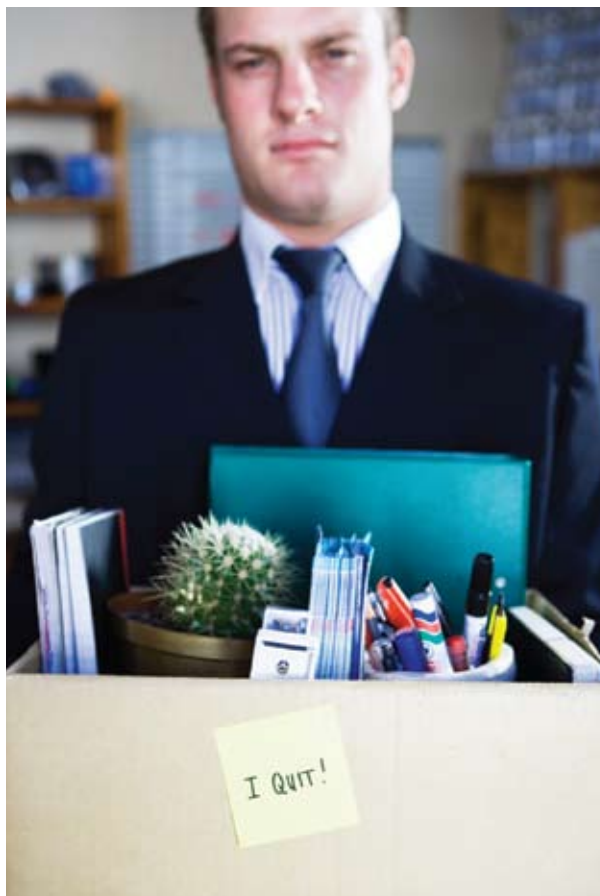
3. Perceived or Real Lack of Career Opportunities

If engineers don't perceive or know that career opportunities exist, they'll seek them elsewhere. Some organizations assume that employees know how careers develop. This can be a costly assumption. Other organizations believe that communicating how careers develop will be interpreted as a promised promotion; therefore, they avoid these conversations. Again, this can be a costly mistake.

Strategy: Managers are usually surprised to learn that a perceived lack of career opportunity led to attrition, because they had a clear vision of the individual's career path. Unfortunately, the vision, or a recommended approach for career development, was never articulated to the engineer. Because it takes a long time to groom talent and today's new engineers expect to advance quickly, it is important to have a consistent and clear message about career development within the organization. This certainly doesn't mean that promotions are promised. Instead, guidance should be provided on how to manage one's career within the organization.

Some organizations use engineering development councils for this purpose. This committee of mid- or high-level managers designs programs that help engineers understand what they need to do to advance within the organization. Other organizations use HR experts to help engineers execute development plans.

Begin grooming talent early. It doesn't have to be costly. Leveraging in-house expertise, vendor relationships, and local universities can result in a clear, current, and consistent message about managing an engineering career within the organization.



4. Infrastructure

Organizations tend to lose employees when they don't offer competitive compensation. However, today's engineers also are looking for professional development, education, and training opportunities to remain current in their field. When organizations don't invest in their employees, it becomes challenging to retain top engineering talent. You want engineers who stay on the cutting edge, because their knowledge and skills keep your organization competitive. When investment isn't made in developing people and keeping them competitive in their field, there are other organizations that will.

Strategy: Pay them more, and they'll stay. That's a popular assumption about how to reduce attrition and it is important to stay current on salaries in the industry. However, it's also important to communicate your total compensation package, not just salaries. Do you pay for health insurance? Do you contribute to a 401K plan? How much vacation and sick leave do you provide? Do you pay professional membership dues? What about parking? Do you pay for college courses or other training and development

opportunities? It's important to communicate how competitive your company is in these areas. Don't assume that employees know.

5. The Company

Some engineers leave organizations for reasons that can't be changed. If someone decides that they want to work in a different industry, with a different client base, or in a different geographic location, retention becomes a bigger challenge.

Strategy: When engineers leave an organization because of location or nature of the business, it's important to determine if these are real or "presenting" reasons. Some employees consider these reasons to be "acceptable," and use them to mask other reasons. Investigate these reasons further.

When location or nature of the business is the real reason, flexibility might be needed. All businesses can't necessarily provide flexibility, but it's worth exploring some unique solutions if attrition is costing your company revenue, clients, or opportunities. Some possibilities might include instituting telecommuting, using conference calls instead of travel, converting full-time jobs to part-time or shared jobs, setting up satellite offices, and opening new business ventures.

Increased retention of top engineering talent is the ultimate goal. Following a three-step approach will achieve this goal: assess your attrition situation, identify strategies that address your issues, and implement selected strategies.

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