
How Savvy Employers Outwit the Tightening Job Market

Do Your Employees hear Opportunity's Siren Song?

Today it's unusually easy for your valuable employees to find greener pastures.

- The Australian Bureau of Statistics reports the unemployment rate in Australia was at 5.00 percent in January of 2011—not quite beating the record low of 4.00 percent in February of 2008, but tracking downward.
- The ANZ Job Advertisements Series shows the total number of jobs advertised in major metropolitan newspapers and on the internet rose by 2.4 percent in January 2011, after a 1.2 percent increase in December. This twelfth consecutive monthly rise in total job advertisements makes the number of ads 40.5 percent higher than a year ago—the highest annual growth rate recorded in a decade.

Ready to Leave and Costly to Replace.

During the global financial crisis, many valuable employees showed real loyalty to their employers: working long hours, tightening belts, giving up benefits—doing whatever was needed to keep businesses afloat.

Although Australia slipped out of the crisis more quickly than other nations, measures of business confidence here remain low. Our businesses may be doing better, but **employers aren't ready to make long term commitments** like restoring benefits or granting raises.

It's easy to see why many **employees might see this as employers "not giving back."** Lacking reward or recognition for their sacrifices during the crisis, they tend to feel used and forgotten.

This kind of dissatisfaction inevitably lowers productivity. Worse, it inspires employees to seek other employment. In fact, 24 percent of employees recently surveyed in Australia and New Zealand said **they plan to look for another job** within the next 12 months.

That makes you vulnerable to losing your best people, and exposes you to all the expenses that entails.

Seventy percent of organisations report having difficulty replacing staff. Positions are going unfilled longer. When you include the downtime while the position is vacant, recruiting costs and the learning curve of a new hire, **replacement may cost anywhere between 50 to 150 percent of an individual's wages.** For example, to replace someone vacating a \$100,000 position, replacement costs may add \$50,000 to \$150,000 to the expense of the annual salary.

So you may be willing to spend some money to reduce the risk of turnover, but what's the most effective way to invest it?

Money is not the Answer.

In 2003, Saratoga Institute reported that 89 percent of managers believe that the top reason an employee leaves a company is dissatisfaction with wages or salary.

But raises are not the magic bullet managers assume them to be! The same report revealed that among employees who had recently changed jobs, 88 percent listed their top reason as something *other* than money.

What reasons did they cite? Here's one of the top motivators: **Employees want opportunities for advancement.** Other research proves that giving employees a sense of advancement consistently reduces turnover rates.

Searching for a way to give their employees a sense of advancement without promotions and raises, **many companies turn to training.** When the company pays for employee's professional education, it creates long-term benefits for both the employee and the company without commitment to long-term expenses or unmanageable near-term costs.

With this in mind, many companies send their employees out to various educational facilities for continuing education. Too late, they discover the risk: **When education takes place outside the company, employees lose their focus on the company.** Instead, they're talking to those with similar backgrounds and experience, learning about opportunities in the broader market for their skills, and getting ideas. They may stay with the company long enough to secure their diploma or certification, but when that goal is attained, they have the kind of connections that make it easy to move on.

The Real Problem

There's another motivator that the CornerPiece associates have heard employees repeat time and again over our combined 45 years of experience:

“I came for the opportunity and left because of the management.”

One of the most discouraging things an employee encounters is management that seems to squander their best resource: their team's talent and potential. This has a direct impact on productivity and morale.

No amount of individual employee training can overcome this real and legitimate frustration.

Creating Satisfaction while Building the Business.

What you really want is for your employees to be excited about the business—engaged, productive and planning to stay for the foreseeable future. That requires **both a sense of advancement and confidence in management.**

The most effective way we've seen to create this kind of culture is “training in place” for groups and teams, including their management.

In this way, **trainers can ensure that the skills employees are learning are applied directly to the company's business problems.** When they see how what they've learned creates leaps in productivity, they not only feel a sense of personal advancement, their confidence in management soars.

When you bring a diploma program or other standardised training into your business, you can create the maximum positive impact by pairing it with individualised training that addresses the gap between certified training and your organisation's needs. This pairing is effective because it:

- **Keeps the employees' focus on your company** and the opportunities it provides, eliminating the distractions of an educational institution;
- **Proves that your company provides opportunity** to advance skills at every level, and that a career with you offers more than money;
- **Outlines possible career paths** and gives everyone something to aspire to;

- **Can address certain management issues** and minimise the “leave because of management” effect; and
- **Advances your business** by improving productivity and the way your people operate—typically with significant positive impact to the bottom line.

CornerPiece makes the Difference.

To create that level of positive change, **facilitators must perform at the very highest level, where there’s no room for hypocrisy.** CornerPiece teaches good management, so all our associates have to live and breathe good management—and we do.

We excel at making good management very real and relevant to your people. We don’t stop until we find **a connection that makes sense to them.** If we can’t connect an important skill to an immediate job or financial problem, we find another path, another important value and create the connection there.

This makes the material relevant and exciting, not only from an organisational perspective but from a personal perspective. For example, one day after a communication class, a student went home and practiced on her husband, who was so impressed that he called his mother—to whom he hadn’t spoken in decades because of a family breakdown. When employees experience that kind of relevance, the skills they learn really stick.

We can make those kinds of connections because we have an extraordinarily broad range of experience.

We’re all smart, experienced **business people with an entrepreneurial edge.** We draw on our own experience as seasoned managers and business builders to tell stories that prove that the concepts we’re teaching work. This gives our training an authenticity that teams trust, which supercharges their learning and retention.

Working directly with the team on their challenges, we can often spot solutions and opportunities that **help the business make more money.**

We’re committed to using our knowledge of human behaviour and psychology to help our clients develop their sense of self. In many ways, we help people see their

potential and have faith in themselves. It's not unusual for a participant to tell us they feel inspired. In fact, our clients say we're really good at what we do.

The CornerPiece Approach: A Case Study

Keen to reward and retain key personnel, one client called on CornerPiece to present a leadership program for its management team. As a registered training organisation, CornerPiece was able to exceed expectations by building a leadership program which also provided participants with a Diploma on completion.

Determined to ensure the program would provide maximum value, we investigated the company's needs and situation and identified a challenge which had been shelved for years because it was believed that no solution was possible. CornerPiece took the business perspective that "shelving" an organisational challenge was symptomatic of the culture of their team. We challenged them to step up and undertake a cultural change as part of their Diploma project. Going beyond the credentialed curriculum, we taught the managers the skills they needed to apply what they learned to their current business environment; specifically how to:

- Evaluate results.
- Identify and implement ways to improve results.
- Analyse and manage risks.
- Resolve conflict without escalation.
- Give formal presentations and build support for their ideas.

CornerPiece trained and coached these managers every step of the way. The identified improvements and subsequent business case saved the company over a quarter of a million dollars per annum.

Start Reducing Turnover while Building your Business Today

Are you ready to uncover subtle challenges and discover solutions that can take your business to the next level?

Call us today for a complementary assessment:

07 5559 0166

One of our senior consultants will arrange a time to discuss your situation and reveal leverage points with the strongest potential to lift your results. Because of our extensive business experience, those recommendations often prove valuable regardless of whether we find a match for further engagement.

We look forward to finding out how improved effectiveness can empower your organisation, and to helping you keep your team's focus on their True North.