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Your Source for Community Bank HR Services

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Inside

The Good, the Bad and the Ugly of Employee Turnover

While no one is irreplaceable, employees are not expendable. Employees are unique beings with unique strengths, weaknesses, talents, and skills. If one of your key employees was hit by a truck tomorrow, you would need to replace that employee. But your new employee won't be a clone of the one you lost. She or he will be different, and those differences will have an impact on your bank for the better, the worse, or somewhere in between.

Low turnover has long been presented as proof of a great organization. The logic is pretty simple; a bank must be doing something right if employees are content to remain working there. In reality, human motivation is complex. Employees stay at banks for all kinds of reasons, and those reasons may have nothing to do with gratitude for a great employer or a desire to perform well. Perhaps your employees are:

- Overpaid
- Under-skilled
- Unmotivated to advance
- Believe the bank's benefits are too good to be replicated elsewhere
- Know that no other employer would put up with their bad behavior.

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Being overpaid and/or under-skilled makes an employee unattractive to the next employer. Some employees know this and won't even look for another job (although that doesn't mean they love the one they have), and others don't realize how unemployable they are until they begin looking but don't receive any offers, or maybe not even any interviews. Either way, these workers are stuck with you, but that's not altogether to your benefit.

Employees with low motivation don't desire to do much beyond what they're already doing, and that might suit your bank just fine or not, depending on how quickly your business is changing and how flexible you need your employees to be to manage those changes.

Benefits are supposed to help drive retention, but if your employees are only sticking around because of the great benefits when they'd actually rather be somewhere else, you'd likely be better off if they worked elsewhere. In time, those "golden handcuffs' will begin to chafe, and your employees may start to feel resentful.

The truth is that some workplaces can be filled with bad behavior, and those perpetuating the behavior derive power from those at the bank with the authority to grant it. However, not all companies will tolerate all kinds of bad behavior, and employees know that. Consider the employee who tells her best friend, "What I love about Charlie is that he puts up with all of my crap." This misbehaving employee is fully aware that her foolishness wouldn't be welcomed by all. She's not going anywhere, but that fact isn't necessarily doing your bank any favors.

Turnover is not always bad. Sometimes, a change is desperately needed. Whether employees are fired, retire, or self-select out of the transformation to come, turnover can be a fantastic opportunity for employers to select, place, and develop employee (both incumbent and new) who are enthused about the bank and the direction in which it's heading. Some turnover is actually good for the bank, especially in the case of overpaid, under-performing employees.

Employers can't always control who leaves, but they can create a workplace culture that encourages the best employees to stay and at the same time, encourages good turnover. Ultimately, managing turnover is about mindfully creating a workplace culture that supports high performers financially, intellectually, and psychologically while at the same time providing a means to efficiently and fairly weed out poor performers who compromise bank goals.

Treat Candidates as Customers

Banks must start treating candidates as customers. If you treated customers like you treat your candidates, would your bank be as successful?

In a Career Builder survey, "Forty-two percent of people who had a bad candidate experience said they would never reapply for a job at that company, 22% said they would tell others not to apply there, and 9% said they would tell others not to buy products or services from that company". Organizations can't afford to be lazy with their candidate experience. Until recently, it was an employer's market, so human resources and hiring managers were able to get good talent without "courting" top candidates. Talent acquisition has become more competitive and customer focused than it had to be in the years following the recession. The candidate experience is the outcome of the relationship a job applicant has with your bank while considering, applying, accepting, or not accepting a position of employment. Job applicants start this process and drop off along the way. Ideally, you want to have candidates choose to continue throughout the entire process and for you to decide when they drop off, not the other way around.

Use the following ACE elements to help you evaluate and improve the candidate experience at your bank:

Accuracy – How honest and realistic are your job descriptions, culture, and expectations? To avoid misleading candidates about job responsibilities, job descriptions should include all job-related duties, even the not-so-glamorous. By being realistic and accurate in all forms of communication, you ensure that the candidate is on the same page throughout the experience, whether it is in terms of understanding the job requirements or setting expectations for next steps.

Communication - Are candidates informed of timelines and next steps as needed? "An astounding 77 percent of job applicants receive no communication from the organization after applying for an advertised position." Good communication includes acknowledging the candidate and making them feel valued. If the timeline has changed, does someone reach out to a candidate to reassure them they are still in the running, especially after an initial interview?

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Communicating all aspects of the job is important when recruiting, but in addition to evaluating applicants based on knowledge, skills, and abilities that can be readily listed in a job description or described on a resume, you should consider intangibles such as behavioral qualities and cultural fit. Since the goal is finding a candidate who will be successful in the position, these attributes are just as important, but often get overlooked.

Not all jobs or job duties are enjoyable. Whether completing tedious reports or standing idle for long periods of time, some responsibilities won't be employees' favorites. Misled employees will quickly become dissatisfied with their work and move on to another employer. According to Indeed, "65 percent of adults look at new jobs within 91 days of starting a new job and 44 percent subscribe to job alerts, employed or not."

Empathy - Are you treating candidates how you would want to be treated in their shoes? Recruiters and hiring managers can be too focused on their own needs and forget how nerve-wracking and demoralizing being a job seeker can be. Empathy should be maintained throughout the process to ensure that each candidate feels valued.

Human Resources and hiring managers expect candidates to prepare for an interview, often by researching the company and coming prepared to answer any question that is posed to them. Why, then, shouldn't candidates expect the same from their interviewer? Before meeting with candidates, have an understanding of the position and exactly what type of skills are needed, as well as what type of person would fit that role, and then formulate the questions that could be asked during an interview.

Having an exact, word-for-word list of questions from which to read isn't necessary. But, have key concepts and points to be covered to help keep the conversation and interview on track. The interviewing team should coordinate the focus of each interviewer to avoid asking the exact same questions multiple times.

Coming across well in an interview and having the requisite professional skills don't always translate to someone who would be a good cultural fit for a bank. Providing your bank's mission on recruiting materials allows candidates to determine whether they share your core beliefs. Remember that culture can be different within different departments, so you'll want to explain the culture at that level. Neither the bank nor the candidate wants any unpleasant surprises after the candidate starts work.

Treating candidates with the same world class service you provide to customers can only improve the bank's recruitment processes while enhancing the image of your bank in the community.

"Back to the Basics" Webinars

USource webinars in May and June will focus on human resource basics that supervisors, branch managers, and new HR coordinators should understand to limit potential liability for the bank. Many people at your bank besides the designated HR person have human resource responsibilities. Supervisors and branch managers should understand wage and hour regulations for breaks and compensable time, questions they should not ask applicants, the importance of ensuring the confidentiality of employee information, how to document disciplinary action, what is a reasonable accommodation, what it means to retaliate against an employee and much more. We encourage you to invite your supervisors and branch managers to attend this liability-reducing webinar!

These two webinars will be presented ***Thursdays, May 18th and June 22nd at 10:00 CDT****.*
Webinars are free for USource members and $85 for non-members.
To register, go to Events on www.ubb.com.

Management Courage

The following is an excerpt taken from the book, *Management Courage, Having the Heart of a Lion*, by Margaret Morford.

It flies in the face of human nature to believe good employees will be content with a manager telling them apologetically, "I can't do this for you because I'd have to do it for everyone else."

Every manager is taught from the moment they enter management that if they treat everyone the same, they can never get into trouble. Managers cannot be accused of favoritism, or worse, discrimination, if they do the same thing for everyone. While it may be an effective way to control risk in an organization, it destroys the motivation of your best employees, the ones who can really make a difference to your bank in the long run.

Smart, hardworking employees resent being treated like everyone else. They see themselves as different from their co-workers and want to be treated as individuals. When employees make an extra effort to complete a task or go the extra mile for a manager, they have an unspoken expectation that their manager will do the same for them.

Some managers don't treat high performers differently than other employees because they know special consideration for one employee generates requests from everyone else for the same thing. It requires strength to say "no" to other employees who never stay late or put in any extra effort to tell them that when they make the effort the high performing employee makes, you will be glad to make the same extra effort for them.

Instead, we destroy the motivation of our best employees in order to avoid having uncomfortable conversations with less productive employees.

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