Why Did They Leave?

By Corey M. Matsuoka, P.E., Chair CASE Executive Committee

Employees leave bosses, not companies. If you have worked long enough, it is a statement you have probably heard sometime during your career. The reason? It is true. According to a Gallup study, approximately 50% of employees that leave their company exit to get away from their boss. To make it even worse, recent Department of Labor statistics indicate that the average tenure of an employee in the U.S. is now only 1.5 years. That number is likely higher for engineering companies, but it is still an indicator of where we could be headed.

Recently, one of our better employees submitted their resignation letter and the theory of employees leaving their boss really hit home. He was not leaving for more money or a promotion; he just was not happy. In the staff of 40 that I manage, this is the first voluntary resignation I have experienced in three and a half years. In today's economy, where jobs are plentiful, that is a pretty good record. Retention has not historically been a challenge for us, so this came as a surprise. Naturally, I began asking myself — was it something that I did or did not do that caused him to leave? What should I be doing differently to make my staff want to stay?

After some soul searching and restless nights, here are the five areas I decided were critical to employee retention…

1) Promote a culture where **communication is a two-way street**. As managers, we need to listen as well as direct. When we direct, we need to provide clear instructions and expectations. When we listen, we need to treat our employee's concerns as our own; they should leave the conversation believing that we will take whatever action we can. If nothing can be done, we should provide a logical explanation why. The bottom line is, our employees need to feel comfortable enough to approach us when things are not going well and then have faith that we will attempt to make it better for them. If we can achieve this one goal, we will know long before we get the resignation letter that something is wrong.
2) To facilitate two-way conversations, we need to **check-in regularly** with our staff. We need to give them the opportunity to discuss their strengths, what is going on in their personal lives, and items they are struggling with. Glenn Furuya, the founder of Leadership Works, LLC, recommends *LBWA* (*Lead by Walking Around*), stating that real leaders operate at the grass-roots level, maintaining high visibility and accessibility. Walking around and holding regular check-ins will allow for a better perspective of what is happening, see things first hand, and assess the well-being of the staff. Leaders who "LBWA" have team members who view them as humble, concerned, and connected.
3) **Show appreciation** for the work our staff does. According to Maslow's *Hierarchy of Needs*, Esteem is one of our most basic needs. Esteem can be built in a number of ways, from simply voicing our appreciation to formal recognition programs. One great way to show our appreciation is to provide opportunities for high performing staff to travel and attend educational sessions. I definitely plan to use these opportunities as rewards and to show staff how much we appreciate their work and commitment to the firm.
4) **Put Employees, not Clients first**. While that may seem counter-intuitive, Richard Branson, Chairman of Virgin Galactic puts it best, "Take care of your employees, and they will take care of your business. It's as simple as that!" When employees are put first, they feel a sense of ownership and take the initiative to solve problems and look out for the best interest of the company. On the other hand, when employees are overlooked and become disengaged, they cost companies vast sums of money in lost productivity and inattention to detail. Gallop found that actively disengaged employees cost the U.S. $450 to $550 billion per year. When you consider the expense associated with employee turnover, you can expect it to cost 30-50 percent of annual salary to replace an entry level employee and upwards of 150 percent of annual salary to replace a mid-level employee.
5) Tied in with putting employees first is providing them with an acceptable **work/life balance**. Employees and managers need to be on the same page when it comes to expectations of work commitments. If not, life for one or both will be miserable. The good news is that we do not have to measure this by hours in the office. In a results-oriented work environment, it does not matter where or when you work, if you get the job done. Laptops, smartphones, hot spots, flexible work hours, work from home, and the ability to bring children to work all help in the effort.

Before he left, I did sit down with this employee to thank him for his dedicated service to the company, express my sorrow that he was leaving, and offer my apology to him for not being there when he needed me. At the end of the lunch, he asked for feedback on his performance. I told him that he was a model employee, hardworking, eager to learn, and a team player. I told him the only thing I wished he did differently was to talk to me when things got tough for him. This is a conversation that I should have had with him six months ago.▪

Corey M. Matsuoka is the Executive Vice-President of SSFM International, Inc. in Honolulu, Hawaii. He is the chair of the CASE Executive Committee. (cmatsuoka@ssfm.com)