

Why employees leave companies and how to retain them ...

By Marion Gamel

Most companies on the island have experienced the dire consequences of employee attrition and deployed creative measures to contain them: Pricey ones (such as share option programs, fancy offices, company trips), and even trendy ones (such as yoga classes, organic juice bars), but to no avail.

I've witnessed bootstrapped startups, where employees sit amongst cardboard boxes and don't even get health insurance where attrition is nil, and yet I've also seen large corporations, where on-site massage and working from home type policies have had zero impact on talent haemorrhage. When considering the costs of recruitment and the loss of IP when key talent leaves, it's no wonder employee retention ranks so highly in Business Leaders' list of concerns. The problem is many companies have lost sight of what really matters: People and their motivations.

What we know: Consumers (AKA: People) make decisions with the right emotional side of their brain. The left logical side of their brain then validates this decision with facts and cognitive messaging. Which means fact-based thinking is an afterthought, and emotions are leading. Deciding to be loyal to a brand or to stay in a company ... is about relationships and the emotional benefit one gets from them. So is work: A relationship that evolves and gets reassessed every day.

Changing the question from "Why do employees leave their company?" to "Why do

people leave their partner?" allows us to demystify employee attrition, but first let's explore some of the myths about employee retention

Things that don't work

Location

Relationships: You have met the love of your life, he lives in Gozo. Are you going to break up because you can't face making a trip to Gozo now and then? On the other hand, would you continue dating someone who you're not really into just because he lives round the corner from your house and it is geographically convenient?

Work: Malta can be challenging location for local companies as there's not enough talent locally to fill every role, talent has to be attracted from abroad. I keep hearing that a high percentage of employee churn is inherent to Malta: "People come to Malta for three years tops, after that, they go home" and I doubt this... If your job is amazing, you have made friends locally, you still enjoy what attracted you to Malta in the first place... There's nothing forcing you to leave Malta after three years. What I suspect happens is that something deteriorates, and that the charms of Malta are not enough to keep people in place. On the opposite end of the spectrum, you have the Google HQ which is located in Mountain View (Mountain Where? My point exactly!). San Franciscans go through the 3 hours commute every day because of what they get out of working at Google.

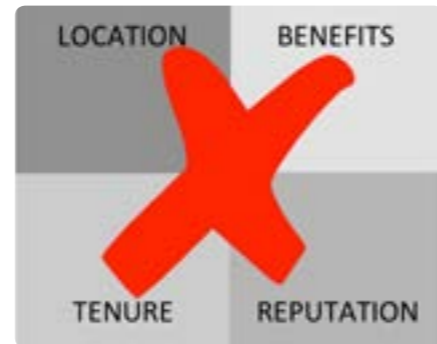
Location's not the reason a company experiences employees attrition, neither is location efficient at retaining employees.

Benefits

Relationships: What would you think of someone staying in an unhappy relationship predominantly because their partner has a sport car or can use a friend's cabin in Verbier? You see my point!

Work: Sure, benefits are nice to have. But benefits are lipstick on a pig, they do not impact the decision to stay or go.

We can take any tech start up as an example. When I joined Eventbrite in 2012, there were hardly any benefits for European employees yet attrition was almost non-existent. The company grew, employee churn increased even though benefits started pouring. Perks are nice but they don't influence the little voice in your head telling you that it's time to go or on the opposite, it's worth sticking



around. Benefits don't reach the right emotional side of the brain that decides if you are still attached to the company. Benefits only feed the left side of our brain, that analyses pros and cons consciously with the purpose to support the decision you have already reached.

Tenure

Relationship: You're been with your partner - who you love very much - for a couple of years so, logically, you start thinking "it's time to break up".... Unlikely, right?

Work: I often hear: "People leave after two years. In our industry, it's pretty normal". Hum... By "normal", do you mean it's unavoidable? I don't believe employees count the months like prisoners in a cell and that when they reach a certain period of time, they feel time is up and they must start looking elsewhere. Employee attrition has nothing to do with time per say, it has to do with something that happens over time that convinces employees that the best has already been experienced and that it won't get any better, that real opportunities are elsewhere.

Reputation

Relationships: You are going out with a man who is not only very good looking but also the life and soul of the party. When you meet people, they often say: "Ohhhh! You are Tommy's girlfriend! Lucky you!". Only thing is, he turns out to be very vain. At parties, he recycles the same four jokes. He's on social media 20 hours per day and takes more selfies than KK.... Are you going to stay with the guy just because others think he's "cool" and you're "lucky"?

The stellar reputation of a company can indeed act as a powerful talent magnet, but it will not be powerful enough to act as an employee retention tool if what happens on the inside does not match the image of the company.

Work: It feels great when you speak about the company you work for and people go "Lucky you! I dream of working for this company one day!". This type of reaction results in a big ego boost. But like all ego boosts, it's short-lived and will not cover up core issues. Ego boosts do not bring long-term satisfaction at work or anywhere else for this matter. The stellar reputation of a company can indeed act as a powerful talent magnet, but it will not be powerful enough to act as an employee retention tool if what happens on the inside does not match the image of the company.

You could argue that you have witnessed people staying in jobs for reasons such as location, benefits, reputation or tenure. You are right, some do, but the question then is: Are they the kind of employees you really want to keep? They say things like:

- "The office's 10 minute drive from my house. I'd hate a longer commute" - Location
- "I love working from home 1 day a week" - Benefits
- "I've only been here 2 years, it'll look bad on my CV if I leave so soon" - Tenure
- "Everyone thinks I am lucky to be working here" - Reputation

To this, you add the self-confidence sabotage that the wrong work environment will do to you:

- "I don't think I can get a better job in a better company. The job market is really competitive, I can't face the rejection".

When employees think like this, they're not driven by a real commitment to deliver and contribute.

So, what does work?!

Hope

Hope is in my view the only valid reason why people stick around, at work and in a relationship. Hope manifests itself like this:

- A strong **belief that things are improving everyday**. Such belief overcomes today's sometimes tough reality:

Relationship: "Sure, he's a bit of a rough diamond but he's so clever... who knows how far he's gonna go, I believe in him."

Work: "It's only a start up right now but the progress we make is exhilarating, I believe in the success of this company."
- Sharing the same **dream and vision** as your peers, resulting in a strong sense of belonging:

Relationship: "We are looking in the same direction: We both want the same thing. We are currently focusing on our careers, to reach our dream."

Work: "We are all completely passionate about the problem we are solving. Our work will improve people's lives!"
- Being inspired and supported to grow, **feeling encouraged and stretched**:

Relationships: "We are a good influence on each other. I encouraged him to quit smoking. He helped me get back into training. We motivate each other."

Work: "I am surrounded by such clever people, it's inspiring! As a result I decided to go to an evening course to acquire XYZ skill. Colleagues are really supportive."



- Learning, **adapting to new challenges** and revising how you function:

Relationships: "She challenges the way I think in a non aggressive manner. She asks me the right questions at the right time. With her, I push my boundaries."

Work: "My boss is both encouraging and demanding. It's the first time someone I look up to believes in me like this and pushes me to achieve things I never thought I could do. What a boost!"
- Knowing that you will not outgrow this situation, feeling pushed towards the top with **the sky as your limit**:

Relationships: "Right now, he's a great boyfriend and I know that one day he will be an amazing father. He can take on any challenge in life."

Work: "Right now I am just a marketing exec, but I know hard work is rewarded. Our CEO started as a Sales Executive."

Employees are people: They are not easily fooled. They are driven by common principles and needs. Just like love, work is a series of relationships and our decisions are driven by emotions. Once you understand what fulfills people in a love relationship, you know how to retain key talent at work. Unfortunately for quick-fix enthusiasts: cutting corners will not do. **MBR**

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EDITOR'S Note

Marion Gamel is a C-level executive with over 20 years of experience. Having started her career as an entrepreneur, Marion then worked for Google and Eventbrite. Her last role was Chief Marketing Officer of Betsson Group and Chief Executive Officer of Betsson Services. Marion has been coaching Entrepreneurs, Founders and C-Executives around the world since 2015. Every month, Marion answers questions sent by business leaders based on the island. For a chance to have your question answered in Malta Business Review, or if you think you would benefit from business coaching, you can contact Marion at: marion.gamel@gmail.com