Turnover Turmoil and the Effect of Morale on Employee Longevity

By S.S. Saucerman

Rich is a terrific employee. He’s been with you a while and has ways been reliable and responsible. He is on time, doesn’t question orders (at least to your face) and has begun to show leadership skills. Better yet, the other guys on the crew are beginning to look to him as a leader. Now, you know this kind of guy doesn’t come along every day and it also happens that lately you’ve been swamped with the business end of things to pay much attention to the crews.

So you weigh the situation. You need a field leader. He’s got potential, and your work load sure isn’t getting any lighter. True, he’s a little rough around the edges (especially business-wise) but the good clearly outweighs the bad, so you decide to offer him more of a leadership role in the company. You call him in to your office, let him know your thoughts, offer a modest raise and a company truck, and he leaves your office enthusiastic and committed to his new role.

A week later he quits!

In your final talk, he relates problems and complaints that you’d never heard before—negative things about his coworkers and the company. You take it all in—shocked and a bit confused. You really never knew that there were so many things that annoyed him.

He finishes speaking. Your mind is swimming with all this new input, but you still manage to spit out that you really were unaware that so many things were bothering him. You ask him why he didn’t come to you sooner and tell him you’d like a chance to remedy his concerns.

But, it’s too late. He’s already accepted a position with your competitor and, besides, you can tell by the tone of his voice that he’s not going to stay.

Frustrating? Read on.

Investing in an employee—whether it be bonuses, training or other incentives—is a paradox . . . and one of the thorniest decisions an owner/contractor has to make. On one hand, there’s little argument that a company needs competent people to represent them. However, once trained and recompensed, there is the very real peril of that employee, having become cognizant of his or her new value and marketability, searching elsewhere for what he perceives as greater opportunity.

LOOK INWARD

So, what’s the answer? Stop training employees? Of course not. Not training your people is akin to giving up. If you own or run a contracting firm, you’re probably not the type of person who gives up easily. So now what? Well, perhaps it’s time for a little self-evaluation.

Ask yourself honestly, “Why did Rich leave?” Your knee-jerk response might be, “The ingrate left for more money—plain and simple.” In reality, there were probably other less obvious reasons that compelled him to do what he did. Surprisingly those reasons likely had little to do with money or material incentive and everything to do with Rich’s morale within the workplace—poor morale, that is, which slowly but steadily eroded and undermined his self-esteem, motivation and personal satisfaction.

“But I gave him a promotion. I paid for training. How much more self-esteem does the guy need?” Unfortunately, although offering Rich elevated status in the company seemed like a grand gesture in your mind, it (and here’s the hard part to swallow) may not have been enough to keep him motivated, content and loyal to your company . . . and the result was another turnover statistic.

RECOGNIZING TURNOVER AS A “REAL” PROBLEM

There are two crucial considerations when discussing turnover. First, employee turnover is a very real, tangible and profit-depleting business liability—dipping into profit dollars just as
sure as a missed line-item on a bid or the correction of faulty carpentry work. As a matter of fact, the only viable difference is that poor morale (leading to turnover) is more ethereal, more ghostly and therefore harder to visualize, grasp and address than the more tangible items, like “bid miss” and poor trimwork details.

Second, increases in employee turnover are in direct relationship to—and a product of—poor worker morale. To stop turnover, you need to first address and remedy its root cause, the poor morale. The morale issues will not be addressed until you admit that you have a problem, and be sincere, patient and complete in providing remedy.

Let’s see if you have a problem. Consider the following questions:

- Are people leaving the company with greater frequency than before?
- Are there any increase in employee complaints or health claims?
- Have you noticed greater absenteeism and poorer punctuality by workers?
- Are there more spontaneous outbursts and disruptions by workers?
- What about the quality of the work? Do they care as much as they once did?

If the answers alarm you, then you need to act now. Poor morale doesn’t go away by itself. In fact, it’s just the opposite. Besides offering up an extremely fertile breeding ground for employee turnover, poor morale only seems to grow with time—festering and contaminating everything in its path if left unchecked.

Think this a lot of tempest in a teapot? Well, consider this: Turnover disrupts continuity in the field. When field workers familiar with a project are replaced by new hires, the learning curve is entirely anew. Old communications and directions are repeated often in the name of expediency, efficiency and productivity. On the proverbial “slippery slope,” this reduction in quality leads not only to loss of profit for the contractor, but also jeopardizes future work once word gets out to future clients that your crews are “suspect” (and word does get around!).

Let’s face it. Most of us aren’t Microsoft. We have maybe two to four major competitors in our locale, and when we lose an employee, he or she often just walks out our door and through the door of one of these competitors. Company secrets or strategies (if you even had any) are out the door with the employee, and company weaknesses are easily exposed for competitors to exploit.

This would be bad enough, but unfortunately, when working with human beings, there’s often personal animosity between the departing employee and the old company. So, in addition to secrets, bad things may be said as well. Rumors and innuendos make the bad things bigger and more credible, and, eventually these fables find their way to the ears of prospective customers and voilà—negative impact on your company.

Customers become comfortable working with one particular person from your company especially if the projects are spread over long periods of time. When one of these people leaves the company, the owner can feel abandoned, disillusioned and dissatisfied that he has to start over with a new contact.

With disruptions in staff due to turnover, an employer may be apt to “pull his horns in” regarding aggressive-lying going after future work. Concerns over insufficient staffing or productivity are major considerations when deciding what and how much future work should be pursued.

Do we even need to get into the amount of office time, energy and advertising that commonly goes into soliciting/deciphering résumés, scheduling interviews and the subsequent training of the new hire?

A COURSE OF ACTION

Now, there are always going to be some “pass-through” employees, like students, who want a job only for a short period of time. And then, of course, you have that small group of people who shouldn’t be in the industry in the first place, for which turnover is a blessing to all. But for those people worth keeping, here are a few morale-building techniques you can try:

Acknowledge that employees have a life outside the office. Don’t make unreasonable demands on their after-hours time. Sure, there are emergencies and pressing problems, but we’ve run into bosses with bad cases of “urgency addiction” (wanting everything right now!).

Always treat employees as permanent (even if they’re not). When an employee spends the day wondering if his position is precarious (Will I be laid off when the work runs out?), he will understandably approach his work with an apathetic attitude.

You don’t necessarily need to pay more to keep good employees. This includes an emphasis on other things such as benefits packages, including health insurance, paid vacations, retirement options, etc. Unfortunately, most
employees have come to expect these perks, but it never hurts to periodically explain the cost and value of this.

Grant employees time off for personal business (no strings attached) in slow business times. It sounds hokey—but don’t forget the company picnics, random company-paid pizza parties and holiday parties. Despite any sarcasm you may hear, they are appreciated.

Occasionally offer a company vehicle for an employee’s weekend move or heavy project. Yes, I know there are insurance and IRS ramifications, but we’re talking people and real life here; you have to loosen up a little sometimes.

Have employees switch job functions from time to time. The benefits are
twofold. The employees avoid growing stagnant and bored from repeating the same work every day. You also will get an employee with additional skills.

Recognition programs (pins, plaques, certificates, etc.) are great and better than not having any program at all. But there are dangers. A mistake too many employers make is having only a certificate program for their entire incentive program. People aren’t stupid and, in the absence of any other rewards, simply and only awarding a certificate (with no bonus, promotion or more tangible prize) comes off as being condescending and superficial to the employee.

Give your company a recognizable personality such as a monthly newsletter with information about the company’s goals and progress, a contest, a special event (take them to a ball game), or a training seminar. While there, informally try to generate dialog from your people on ways to improve product and service. You’ll be surprised at the level of suggestions you get. There are some very clever people out there—it’s just that nobody ever asks for their opinions.

When creating a new position in your company, don’t run out and solicit outside people in the hopes of finding the “perfect” employee. This is the classic “grass is always greener” syndrome applied to the construction industry. Take a non-partisan look at the people you already have, and try to promote from within that pool. There is simply no better way to show the employee that you are sincere in honoring loyalty, dedication and efficiency.

I’m sure you can think of other things that apply more to your company and people. You’re really only limited by your imagination, compassion and willingness to make a difference.

Turnover is no different than any other business concern, and if you sincerely plan to make inroads into quelling the problem, you’ll have to first address employee morale. The key is to not let it come to you. Start a program today using some of the ideas we’ve discussed or one’s of your own. Just do something!

If you’re sincere, patient and committed, employee morale will go up, turnover will go down and with the gain in efficiency and skills retained, profit will automatically follow step!

About the Author
S.S. Saucerman is a full-time commercial estimator/project manager, professional woodturner and free-lance writer. He teaches Building Construction Technology and Construction Materials at Rock Valley College in Rockford, Ill.