

AMERICAN BUSINESS MEDIA

The Association of Business Media Companies

Retention Strategies For Key Employees in B-to-B Companies

by Dana Shilling

Introduction

Efficient hiring places the right person in the job as soon as possible after a position is created, or a vacancy ensues. Additionally, efficient hiring gets the new hire up to speed and fully productive as soon as possible after that person has begun the job. The hiring effort is in vain if the company experiences significant attrition and the cycle begins over and over again!

There are two sides to the retention story: the extent to which competitors will seek to recruit your employees, and the extent to which employees will accept or reject those offers. There is not much you can do about the first side, other than have your top managers and professionals sign employment agreements that prohibit them from going to work for a competitor. It is a good idea to make sure your legal department reviews the agreements to be certain they are fair, and protect your organization without unduly infringing on the signer's right to earn a living.

You have a high degree of control over the second part of the equation. Many employees value a supportive corporate culture and a great working environment as much as, or even more than, slightly higher compensation. There is a good chance they will turn down an offer they think will limit their overall career opportunities, or lessen their work experience, even if somewhat more money is offered.

The extent of recruiting has a lot more to do with the economy as a whole and trends within the media industries. In 1999 and 2000, the big problem was "dot-competition," the flood of irresistible offers of cash and stock options that lured away many employees from traditional media organizations to Web startups. In 2001, one of the top business stories was the collapse of these Web start-ups, and questions about whether there really is a New Economy. For many people, b2b now means Back to Basics, not Business-to-Business Web sites, and this uncertainty will influence all forms of recruiting as more employees accept the wisdom of staying put and not taking chances.

However, some people think that new ways of working, including much greater flexibility and concentration on results and not fixed work schedules, are here to stay. Once employees get used to casual dress, bringing their pets to work, and taking pinball breaks, they will continue to expect those workplace changes to be permanent.¹

Business-to-business publishing and its associated industries are businesses that depend heavily on professional skills that can be difficult to find. It's one thing for a fast food chain to accept it will have to find thousands of new burger-flippers a year, and something else entirely for a media business to have to find skilled writers, circulation professionals, PhotoShop artists, and the like, to fill high-skilled positions that are essential to the business' success.

What a Difference a Year Makes

In 2000, the conventional wisdom was that employers faced a real seller's market, and to prevent attrition they had to keep raising the ante. For instance, Watson Wyatt Worldwide's Fifth Annual Survey Report, "Playing to Win: Strategic Rewards in the War for Talent," available at <http://www.watsonwyatt.com/homepage/us/res/stratrew00/index.htm>, describes "A worker's paradise of 4 percent unemployment" as "a recruiter's headache." Companies are having more difficulty attracting new workers and keeping the ones they already have." Watson Wyatt saw 2000 as a year of pay increases across the board, not just for top performers or those with exotic skills. Furthermore, "pay practices that previously were limited to New Economy companies are rapidly being adapted by traditional employers."

However, even in 2000, "pay more and add more perks" was a simplistic recipe. The individual priorities and needs of valued employees had to be considered. Consultant Brad Smith² said that even expensive perks like on-site child care and exercise facilities don't always improve retention. "Companies are providing retention perks and goodies without finding out what the hot buttons are of the people in those companies." The point is not to make the largest offer (especially because competitors can always find out and top it) but the offer that is most personalized and best reflects the priorities of the individual whose loyalty is sought.

Consultants Sharon Jordan-Evans and Beverly Kaye surveyed 6,400 workers. The most prominent factor in staying with a job was career growth and development. The dozen top factors they found for employees to stay in their jobs include:

- ?? Career development;
- ?? Exciting, challenging work;
- ?? Work that really makes a difference;
- ?? Great co-workers;
- ?? Being part of a team, not a collection of isolated individuals;
- ?? Great boss;
- ?? Having one's contributions recognized;
- ?? Having fun at work;
- ?? Feeling autonomous and in control;
- ?? Flexible working hours and other policies (e.g., dress code);
- ?? Compensation package that is fair and competitive; and
- ?? Inspiring leadership.

Employees need to feel recognized for their achievements and not necessarily in money. An informed appreciation from a supervisor can go a long way. The point is not to create a standard package of incentives, but to make incentives available based on the career, personal and family needs of the individual. The real win-win situation is an inexpensive item that really means a lot, on a personal level, to someone you particularly wish to motivate. Furthermore, this degree of flexibility doesn't necessarily add any dollars-and-cents cost to the organization's budget, and it often enhances productivity.

The American Management Association asked 352 HR executives what they had found effective in promoting retention. Close to three-quarters of the respondents said it was a serious or very serious issue for them and nearly two-thirds said the problem had worsened since the previous year. Bonuses were useful but not the most useful tool if improved retention is the goal.

Seventy-eight percent of respondents said that outside seminars and conferences were a motivator for retention; so did 67% each with respect to tuition reimbursement and managerial training, and 61% with respect to supporting employees seeking bachelors or advanced degrees.³ In other words, these are most potent motivators related to enhancement of employees' skills.

Bonuses were noted as important by 59% of respondents and 57% noted flextime as well as training in interpersonal skills.

The Dollar Value of Retention

The most dramatic case of the value of retention is the superstar, whose departure is a body blow to the organization because of his or her talent, ability, inventiveness, or contacts. If a single person carries a very disproportionate share of responsibility, that person's departure can cause chaos. It may appear at the time that he or she may literally be irreplaceable.

The cost of losing and replacing even a perfectly average employee is significant. No one is at peak productivity in a job he or she has already quit, or has decided to quit, as soon as something better turns up. A good deal of organizational resources will be absorbed by the recruiting process, even if it is not necessary to make a large payment to a recruiter. Time will have to be taken to re-define the job responsibilities, decide where to look for the new candidate, plus multiple person-hours to review resumes and hold interviews. It may be necessary to make a temporary hire, work through an agency, or outsource some functions simply to "keep the chair warm."

In some cases, the replacement will provide advantages to the organization--better skills, lower compensation level, more contacts, greater innovation, etc. But sometimes the replacement never lives up to the contributions of the predecessor. Even if the replacement is clearly better, there will be dislocation and costs associated with the transition.

Development Dimensions International estimates that it costs more than \$100,000 to replace a manager or professional.⁴ A modest \$400 in administrative costs to process the candidates for the position; \$320 in interview costs, \$530 for the candidate to travel to the interview; \$2,750 in severance pay for the exiting employee; \$2,000 to advertise for a replacement; \$9,600 to train the replacement, close to \$15,000 in opportunity costs and hidden costs (e.g., reduced productivity) associated with the changeover; and \$20,000 in relocation costs, adding up to \$107,970 overall.

What American Business Media Learned

ABM surveyed its membership in the fall 2000, to find out "where the shoe pinches" when it comes to turnover in business publishing. The survey consists of 13 questions.

ABM members experienced high turnover in 1999-2000. The average turnover rate (voluntary quits only) was 14.6% i.e., about one employee in seven.⁵ Half the survey respondents (51.1%) saw an increase in resignations in the past three years, and close to one-third (31.3%) had a fairly stable resignation rate; only 12.5% experienced a decrease in resignations. About one-third of respondents each said they were concerned, or somewhat concerned, about resignations; 28.4% said they were very concerned; and only 6.3% were not concerned at all.

It was clear that the Editor/Writer was the job with the highest quit rate (this was true of 40.6% of respondent organizations); 21.8% of respondents said that Advertising Sales was the position with highest turnover, versus 9.3% saying Publisher was the most volatile job and 6.2% saying this was true of the Circulation Manager. Of course, the average ABM member organization has far more writers and editors than publishers, circulation managers, or even advertising sales staff,

so sheer numerical factors could explain more than volatility rates for the job itself.

When asked to identify the three most common reasons cited by departing employees for their departure, *career opportunities elsewhere* got the #1 place, followed by *better compensation packages outside* #2, and *joining a spouse or significant other who was relocating* #3.

Survey respondents named their largest threat as *higher salaries offered by competitors*, and *employees' greater willingness to job-hop*. They expressed *better benefit packages offered by competitors*, and *dissatisfaction with career opportunities*, as moderate threats to retention. However, they did not see *viability of their own organizations*, or *employees' conflict with the organization's mission or values* as imperiling retention. *Employees' feelings of being unappreciated*, and *conflicts with supervisors and fellow-employees*, were reported as only small threats.

The survey reports *flexible work schedules*, *health benefits*, and *vacation/holiday policies that at least meet the competition*, as the three initiatives that do the most to promote retention. However, *sabbaticals* and *concierge services* were the least useful in keeping valued employees on board.

ABM members tend to employ the common and helpful tool of the exit interview to understand why employees choose to leave. They also implement changes based on the results of the exit interviews:

- ?? Enhanced benefit packages, including Information & Referral for child care and elder care;
- ?? More competitive salary scales;
- ?? Greater flexibility in work schedules and casual dress;
- ?? More frequent performance and salary reviews;
- ?? Better training and development;
- ?? Better communications; and
- ?? Creation of an employee referral program so employees receive incentives for recommending new hires.

Generally speaking, this list also duplicates the responses to the question "What are the three most effective measures your organization uses to retain employees?" *Profit sharing*, *tuition reimbursement*, *quality of the work environment*, and *a supportive culture* were also cited.

New Strategy

The Harvard Management Update issue for January 2001's feature article is "A New Retention Strategy: Focusing on Individuals." The article points out that across-the-board moves can be counterproductive, especially if they are undertaken without insight into employees' real needs and preferences. Especially if they treat employees with different training and job duties as if they were homogeneous. The article uses the example of salespeople and computer programmers as very different constituencies.

Michael Cassani (Private Healthcare Systems) says that ongoing interviews with current employees can be even more productive than exit interviews in determining employee performance, satisfaction, and motivation. Cassani says that it is important to find out who is at risk of leaving and, if necessary, find ways to improve that person's interest in the job and performance metrics. This must be done in time to prevent the person from making a decision to

quit, or before performance deteriorates so badly that the person will have to be placed on probation or terminated.

The article suggests four areas in which the HR function can reduce turnover:

- ?? Hire correctly--find people who not only look good on paper but are comfortable with your company's values and corporate culture. Make sure that there are no surprises on either side by giving full disclosure and ruling out inappropriate expectations even before the person starts work.
- ?? Study employee needs and desires to cut down turnover.

An earlier article in the same journal⁶ takes a slightly heretical approach, pointing out that managers benefit from poaching top talent from other companies, but can't seem to prevent their own staff from being poached.

Capelli says that instead of trying to retain everyone, companies should identify precisely who needs to be kept on board, and how the company can appeal to those particular individuals. Furthermore, there should be a retention target, some people will be needed for 10 years, some for five, some for only one. The company will also need a fallback plan for replacing those individuals' unusual skills in a cost-effective manner.

UPS analyzed its turnover problem and discovered that the hard-to-replace drivers, who had skills and a knowledge base, disliked having to load their trucks. So UPS re-structured the job so that other, lower-paid, individuals did the loading, leaving drivers free to concentrate on the more skilled part of their job. Turnover is very high among the package loaders, but they are much easier to replace than a good driver.

On a higher compensation level, Wall Street investment firms re-structured the job of junior financial analyst by limiting tenure to three years. The firms now lose their junior analysts after this short time, but they do so predictably and hire replacements on a regular basis. The firms used to lose analysts unpredictably, as they went to business school, switched firms, or switched careers.

Capelli points out that a company selecting a new location might think twice about joining the herd. That is, if your high-tech business is located in Silicon Valley or the Route 128 corridor near Boston, you'll benefit by closeness to suppliers, but also be at constant risk of poaching because your employees can stroll over for a job interview with a competitor on their lunch break. If your high-tech business is in Idaho, that risk is reduced.

There is a new model of loyalty, too. Many people think of the unit they care about as their team of co-workers, not the overall company. So building teamwork not only improves results in the short run, it improves retention overall.

Don't forget, in difficult economic times attrition isn't always a tragedy. Firings and layoffs nearly always create hostility, and can be bad PR for your organization, perhaps even undermining lender and stock market confidence. Furthermore, disgruntled ex-employees can assert, whether sincerely or otherwise. If sincerely, either with or without legal justification, they can assert they have been the victims of discrimination. It is much more difficult for employees who resign to make such claims, and they often leave feeling good about your organization and acting as good-

will ambassadors for it.

As long as there is a large enough pool to recruit replacements, retention efforts are not always productive. For instance, if your technicians tend to quit after a year or two, you may actually be ahead of the game if you can hire newly trained technicians who have more up-to-date skills.

Pay for Performance Pros and Cons

One theory is that the larger the percentage of pay that is tied to objective performance measures, the better off the employer will be. That way, pay will be flexible and will decrease as performance decreases, and when the company has less money to spend. Employees will "eat what they kill", they won't get an increase unless they bring in higher revenues or profits.

If the company has experienced EEO problems, performance-based pay can be either salvation (by showing that the company rewards and punishes objectively and does not discriminate) or damnation (if standards are not applied equally, or if the measures merely reflect past discrimination).

On the contrary, some organizations find that they need to use year-end bonuses precisely to equalize pay packages. It can be a de-motivating factor for one employee to discover that a comparable employee earns much more. So the question is one of corporate culture. Is the first priority to encourage competition to be the best, or to promote a feeling of equality and cooperation? If your organization really believes in one, but says it believes in the other, the mixed signals will be counterproductive.

Many companies got into a spiral of offering larger and larger "golden handcuffs," especially in the form of stock options with deferred vesting. The problem in the roaring bull market was that competitors could offer matching "golden hello" packages, with richer options grants and faster vesting. The problem in a bear market is that many employees now have worthless options, or even worse, worthless options and massive income tax bills! A bonus that is paid over time rather than all at once, or that is deferred until a retention target has been met, at least has some effect in promoting retention.

A better alternative could be to offer a "hot skills" premium that lasts only as long as the company needs to recruit people with that particular skill, shifting to the next needed skill as the business changes. Adopting this strategy will require determining who will make the skills determination and set the amount of the premium, as well as how often to review and select the correct incentives.

Discovery Communications, Inc. copes with morale problems within its three dozen cable networks by using a complex formula for incentive compensation. The higher up in the organization chain, the larger the potential sizes of the bonus, but the more it depends on the top manager running a successful organization rather than being a lone wolf. Lower down, the bonuses are smaller, but have more to do with the individual's own performance.⁷ For instance, at the level of the President and two other top corporate officers, 100% of the bonus comes from corporate results. Lower down, the performance of the corporate division becomes a factor; there are 793 mid-range executives whose incentive compensation depends 10% on company figures, 10% on divisional figures, and 80% on individual results. Before the change, company policy ruled out large raises for certain positions, which didn't do much to create incentives for those holding those jobs! The current trend is toward bonuses, which need not be repeated, rather than pay increases, which continue to affect the employee's compensation and expectations for the rest of his or her career.

The Rise of Soft Perks

In 2000, employers who wanted to improve the retention climate without large-scale compensation increases received comfort from Randstad's survey of over 6,000 employees.⁸ The respondents said that flexibility could be an even stronger motivator than cash, and "soft benefits" could be the key. More than half of those surveyed (51%) said they wouldn't switch jobs if they could have a flex schedule at their current job and the same percentage said that they would rather have flexible hours than promotion opportunities. Nearly two-thirds (62%) would rather have a boss who allowed them to take personal time when necessary than one who promoted their professional advancement. It is not that survey respondents are short on ambition (64% say they're ambitious in their career; 61% agree that earnest effort is needed to succeed).

The most frequent satisfaction factor cited by respondents was *liking their work team* (71% said this); 68% said that a *pleasant work environment* would make them more likely to stay; 68% valued *an easy commute*; 65% named *challenging work*, and the same percentage named *job security*; and 59% cited the *ability to work independently*, versus only 55% naming *opportunity for advancement*.

Studies by Roper Starch Worldwide show that just about half (51%) of respondents would prefer a non-traditional job where hours are flexible, perhaps with a telecommuting or work from home component.

Planning For Retention

A company can include planning for retention in its hiring and management of entry-level employees. PricewaterhouseCoopers, one of the largest accounting/consulting firms hires many young accountants and business students right out of college and business school. It assigns "coaches" to help the new hires set meaningful goals and build a long-term career within the organization. The firm acknowledges that it does not face a major problem of having its employees hired away right now, because of the torpid economy, but wants to be prepared for the next inevitable heat-up in the job market by making sure that its employees want to have all or a major part of their career with PricewaterhouseCoopers.

Companies can also create incentives for long-range careers by giving new hires and those who have been around for a few years greater access to interesting projects, and greater promotion possibilities. Andersen Consulting expected its staffers to put in 12-14 years before becoming eligible for partnership, whereas Accenture, the renamed firm's new version, will give partnership consideration in as little as 10 years for a truly outstanding performer.⁹

American Business Media Members Speak Out

Several executives at American Business Media member publications have been recommended as managers with a great track record, who really understand retention issues.

Nancy Webman, Editor of *Pensions & Investments*, a Crain Communications Inc. publication, says that retention has been a problem in the publishing industry for years, recently exacerbated by the dotcom frenzy. She herself has no job openings, and lost only three staffers last year to dotcoms, over a six-month period. She almost lost a fourth, but was able to retain him when she discovered that he misunderstood his chance for an internal career path working on *Pensions & Investments'* own Web site, and didn't need to leave the company to develop his career.

Webman exercised flexibility in a recent hire, a man with 15 years' experience in his prior job. Instead of waiting for him to raise the question of vacation time, she brought it up herself, and

made sure that he got more than the usual first-year allotment of vacation, to replace what he had lost by leaving his previous job.

She highlights the importance of giving the manager discretion in individual cases, to give a bonus for unusual performance, or reward a job well done with a spontaneous day off, for instance. There are many factors for her own exemplary retention performance, including the fact that *Pensions & Investments* is a good place to work; has a collegial atmosphere; and respects employees' professionalism instead of nickel-and-diming them or maintaining a time clock mentality.

When she recruits in order to retain, she looks to see if the candidate has a history of job-hopping. Her estimate is that if the candidate stayed two to three years in the last job, she can keep him or her for four to five years, because she can offer a good package of pay and benefits (measured against publishing industry standards) as well as an exceptional working environment. Her average employee is paid well above the industry average, and her goal for the year is to help her employees improve until all of them qualify for at least a B rating under her ratings and goals system.

Joe Monahan (Meister Publishing Company) is another manager with a talent for retaining the top performers his organization needs. During the recent Web development frenzy, he only lost one employee specifically to dot-competition, another to the education sector and another to a competing publisher. In the current market, he predicts that people will be more hesitant to jump around.

Although acknowledging the importance of cash compensation to retention decisions, he points out that management style is crucial. Don't wait until employees are ready to leave to let them know how valuable they are. Too many bosses throw money at departing employees, instead of making them feel valued throughout their tenure, so they won't even think about departing. Monahan says that involving all members of the team in decision-making instead of giving all the power to team leaders builds loyalty. If everyone is involved in the decisions that affect the direction of the magazine, everyone on the team feels more accountable and valuable. Monahan's strategy is to develop business plans for the group twice a year, and to include everyone in the planning process. However, he runs his magazine in real time with involvement from all team members, and strives to balance rewards to the whole team for working together effectively. The team is small enough to communicate daily with everyone with ideas about what is going well, as well as how to improve performance.

He also points out that the stage in an employee's career makes a big difference to motivation. His new hires tend to be in the stage of their career where they aren't yet thinking about retirement, so cash and current benefits mean more to them than deferred benefits.

Advanstar Group Show Director Diane Stone wasn't really affected by the dotcom boom, so she continues to maintain the same team-building practices that have always worked for her. Although she herself has no attrition within her group, she notes that turnover is highest overall in sales, with some turnover in marketing. A strong team is ready to take up the slack when one member needs time off, and Stone makes sure that communications are strong enough that needs for adaptability can be predicted and accommodated.

As for whether counter-offers succeed in keeping employees from jumping ship, Stone says she has never done so and is not sure they work. She says someone who has decided to leave is already "mentally gone" and maybe a counteroffer is "only a Band-Aid."

Building friendship at work builds teams. Stone's group has well-loved traditions such as birthday lunches, gifts, and notes for birthdays and Christmas. That takes care of the unity and cohesiveness within the whole team when it's performing well. Team members who go the "extra mile" also qualify for on-the-spot bonuses, because in some cases appreciation has to be supplemented with monetary rewards.

Stone's tips for recruiting for retention is to take the time to express clear expectations and understand the applicant's goals. There has to be a fit on both sides, and the new hire has to be a suitable team member. Involving the team in recruitment is important. In her management theory, the team is everything. Retention arises out of creating a group where employees feel a sense of purpose and a sense of belonging. As the team gains skills and stature, the team members will feel good about their jobs, their team, and especially about themselves.

Retirement and Retention

Retention strategies also apply at the other end of a career, the point at which the employee decides whether to stay put or retire. The advantage to an organization of long-term older workers is they are living embodiments of the corporation's culture. They've been there through good times and bad, and they remember how things were done and what strategies have worked in the past to pull the company out of a rut. The disadvantage is that sometimes they are in the rut themselves, and can be a barrier to corporate change. Furthermore, because of their long tenure, they often are at the top of the compensation scale, and have lucrative benefit packages that the company is hard-pressed to sustain. Although companies have an obligation to preserve vested benefits and refrain from cutting back benefits already earned, in most instances they will not be required to offer the same benefit package to newly hired workers.

For many years, companies offered early retirement incentives, as a way to streamline their payrolls and get rid of dead wood. Unfortunately, early retirement incentives can backfire, working precisely the opposite of the way they were intended. That's because the more opportunities a star performer has to switch jobs or even switch careers, the more likely he or she is to grab the early retirement offer. That leaves behind the mediocre performers who have fewer outside options, and know it.

Also, most savvy early retirees know that they will not be eligible for Medicare until they reach age 65, and if they retire really early, their COBRA protection will expire before they are Medicare-eligible. Therefore, many early retirement incentive packages include extensive health benefits, which can be quite costly for the employer.

More and more companies are setting up structures to deter early retirement and even to keep employees working past normal retirement age. (Congress helped out last year, by changing the laws that used to cut the Social Security benefits of persons under 70 who were still in the workforce. However, benefits continue to be reduced for workers who start their Social Security benefits before normal retirement age.)

Sometimes an expressed desire for early retirement really just reflects burnout in the current job. Allowing the employee to "downshift" by transferring to a less stressful position, one with shorter hours, or less travel could make it possible to retain that person's skills and experience, while also allowing a promotion opportunity for an up-and-comer.

Nor does retirement have to be an all-or-nothing matter. Employee and corporation alike can benefit by creation of phased programs where the employee earns less and has a leaner benefit

package, but continues to provide valuable services to the corporation but on a shorter, part-time, or seasonal schedule.¹⁰ It's easy to understand that an older person might not feel able to sustain the accustomed pace of work, but still wants to make a contribution in a less demanding job or on a shorter schedule. Another option is to re-structure the job or re-assign job duties so two or more people, perhaps a phased retiree and a parent of small children, share a single position.

After all, pension benefits are a form of deferred compensation. The retiree receives funds that really derive from part of his or her compensation package that was not paid during active employment. But that puts the employer in the position of paying for services that were rendered long before. An older employee who remains in active service still provides economic benefits to the organization.

Companies in Pending Mergers Lock In Key Employees

Nothing makes employees feel less secure than a pending acquisition or merger. And nothing makes bosses less secure than thinking their best workers are going to flee before the deal closes. When employees get nervous, headhunters start circling.

As mergers and acquisitions have boomed in recent years, more deals involve retention plans, that is, compensation packages that attempt to lock in key employees. These plans include bonuses, doled out in increments, to entice valuable employees to stay. Putting the package of incentives together can be tricky. A package that gets too expensive could dissuade an acquiring company from doing the deal, or tempt it to raid and hire the employees it wants instead of buying the whole company.

Retention plans generally favor cash over stock options, due in part to the stock market's volatility and qualms about the economy. However, options still are an essential part of many retention packages.

Summary

John E. Nelson of Drake Beam Morin (HR consultants) says that excitement at work is the key to job satisfaction, and, in turn, satisfaction is the key to retention. "A high-energy, flexible work environment, where employees have a clear line of vision between their personal achievement and the bottom line." Companies have to be fun places to work. I'm not talking about having circus clowns in the hallway, but about making sure employees know they're being productive in a meaningful way."¹¹

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Print resources on retention include:

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- ?? Jim Harris and Joan Brannick, *Finding and Keeping Great Employees* (AMACOM Books 1999).
- ?? Beverly Kaye and Sharon Jordan-Evans, *Love 'Em or Lose 'Em: Getting Good People to Stay* (Bennett-Koehler Publishers 1999).

Footnotes

¹See, e.g., Glen Fest, "Function Over Form Perks, Casual Atmosphere Help Companies Attract, Retain Creative Team-Oriented Employees," *Fort Worth Star-Telegram* 2/19/01, available as <http://www.benefitslink.com/articles/feeds/982792003.shtml>.

²Of Drake Beam Morin (Fort Worth), quoted in Barbara Powell, "Retaining Talent Employers Seek Secret to Keeping Good Workers," *Fort Worth Star-Telegram* 11/28/00, available through Benefitslink.com.

³Success in Recruiting and Retaining (newsletter of the National Institute of Business Management, <http://www.nibm.net>).

⁴Cited in "A New Retention Strategy: Focusing on Individuals," Harvard Management Update 1/01 p. 3.

⁵In comparison, according to the Center for Organizational Research, for the economy as a whole, 34% of over rates of 15-29%; 27% had under 10% turnover, 7% replaced more than 50% of their employees each year; see Harvard Management Update 1/01 p. 3.

⁶Peter Capelli, "A Market-Driven Approach to Retaining Talent," *Harvard Business Review* January-February 2000 p. 103.

⁷Jonathan D. Glater, "Seasoning Compensation Stew," *New York Times* 3/7/01 p. C1.

⁸The 2000 Randstad North American Employee Review; see Business Wire 5/10/2000, "Increase Job Satisfaction Without Increasing the Bottom Line," available through benefitslink.com. The survey itself is available from Andrea Dixon, (404) 879-9183, andreadixon@ketchum.com.

⁹Kemba J. Dunham, "The Jungle: Focus on Recruitment, Pay and Getting Ahead," *Wall Street Journal* 3/20/01 p. B12.

¹⁰John Lauerman, "Do You Have To Go?" *Wall Street Journal* 3/19/01 p. R11.

¹¹Quoted in Carol Kleiman, "Key to Retention? Satisfaction," *Chicago Tribune* 8/16/00, available online through benefitslink.com.