

An article by Premji

WHY EMPLOYEES LEAVE ORGANISATIONS? - Azim Premji

Every company normally faces one common problem of high employee turnout ratio. People are leaving the company for better pay, better profile or simply for just one reason 'pak gaya'. This article might just throw some light on the matter.....

Early this year, Arun, an old friend who is a senior software designer, got an offer from a prestigious international firm to work in its India operations developing specialized software. He was thrilled by the offer. He had heard a lot about the CEO of this company, charismatic man often quoted in the business press for his visionary attitude.

The salary was great. The company had all the right systems in place employee-friendly human resources (HR) policies, a spanking new office, and the very best technology, even a canteen that served superb food. Twice Arun was sent abroad for training. "My learning curve is the sharpest it's ever been," he said soon after he joined. "It's a real high working with such cutting edge technology."

Last week, less than eight months after he joined, Arun walked out of the job. He has no other offer in hand but he said he couldn't take it anymore. Nor, apparently, could several other people in his department who have also quit recently. The CEO is distressed about the high employee turnover. He's distressed about the money he's spent in training them. He's distressed because he can't figure out what happened.

Why did this talented employee leave despite a top salary? Arun quit for the same reason that drives many good people away. The answer lies in one of the largest studies undertaken by the Gallup Organization. The study surveyed over a million employees and 80,000 managers and was published in a book called First.

Break All The Rules.

It came up with this surprising finding: If you're losing good people, look to their immediate supervisor. More than any other single reason, he is the reason people stay and thrive in an organization. And he's the reason why they quit, taking their knowledge, experience and contacts with them. Often, straight to the competition.

"People leave managers not companies," write the authors Marcus Buckingham and Curt Coffman. "So much money has been thrown at the challenge of keeping good people - in the form of better pay, better perks and better training - when, in the end, turnover is mostly manager issue." If you have a turnover problem,

look first to your managers. Are they driving people away?

Beyond a point, an employee's primary need has less to do with money, and more to do with how he's treated and how valued he feels. Much of this depends directly on the immediate manager. And yet, bad bosses seem to happen to good people everywhere. A Fortune magazine survey some years ago found that nearly 75 per cent of employees have suffered at the hands of difficult superiors. You can leave one job to find - you guessed it, another wolf in a pin-stripe suit in the next one.

Of all the workplace stressors, a bad boss is possibly the worst, directly impacting the emotional health and productivity of employees. HR experts say that of all the abuses, employees find public humiliation the most intolerable. The first time, an employee may not leave, but a thought has been planted..

The second time, that thought gets strengthened. The third time, he starts looking for another job. When people cannot retort openly in anger, they do so by passive aggression. By digging their heels in and slowing down. By doing only what they are told to do and no more. By omitting to give the boss crucial information.

Dev says: "If you work for a jerk, you basically want to get him into trouble. You don't have your heart and soul in the job."

Different managers can stress out employees in different ways - by being too controlling, too suspicious, too pushy, too critical, but they forget that workers are not fixed assets, they are free agents. When this goes on too long, an employee will quit - often over seemingly trivial issue.

It isn't the 100th blow that knocks a good man down. It's the 99 that went before. And while it's true that people leave jobs for all kinds of reasons- for better opportunities or for circumstantial reasons, many who leave would have stayed - had it not been for one man constantly telling them, as Arun's boss did: "You are dispensable. I can find dozens like you." While it seems like there are plenty of other fish especially in today's waters, consider for a moment the cost of losing a talented employee. There's the cost of finding a replacement.

The cost of training the replacement. The cost of not having someone to do the job in the meantime. The loss of clients and contacts the person had with the industry. The loss of morale in co-workers. The loss of trade secrets this person may now share with others. Plus, of course, the loss of the company's reputation. Every person who leaves a corporation then becomes its ambassador, for better or for worse.

We all know of large IT companies that people would love to join and large television companies few want to go near. In both cases, former employees have left to tell their tales. "Any company trying to compete must figure out a way to engage the mind of every employee,"

Jack Welch of GE once said. Much of a company's value lies "between the ears of its employees". If it's bleeding talent, it's bleeding value. Unfortunately, many senior executives busy travelling the world, signing new deals and developing a vision for the company, have little idea of what may be going on at home.

That deep within an organization that otherwise does all the right things, one man could be driving its best people away.