



Managing the Risk of Employee Turnover

Michelle Briscoe, President/CEO
Brooks Applied Labs

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BAL is an analytical chemistry laboratory specializing in analytical services and consulting related to metals quantification and speciation, primarily serving the environmental, food/supplement, pharmaceutical, and biomedical testing and R&D market sectors. We are a privately held small business (46 employees) located in the Seattle area with nearly 30 years of experience in this niche.

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Presentation Outline

- What are the Risks?
- What are the Key Causes of Turnover?
- How to Mitigate the Risk
 - Retention Strategies





What are the Risks?

Turnover is an Inevitable Risk

- Since the recession, the job market has been experiencing great improvement¹
- In April 2015, 2.7 million employees quit their jobs, and the quit rate has been on the rise since²
- Unemployment is down to nearly 5%
- As more jobs are created, employees are tempted to look for greener pastures
- When you hire young, ambitious folks straight out of college, you have to expect that working in a lab isn't going to be everyone's life dream



Turnover is a Risk that Costs your Company

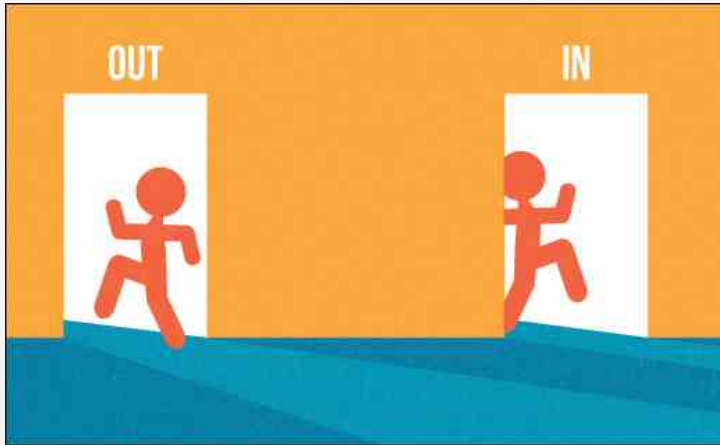
- Estimated that the minimum cost of turnover is 20-35% of the annual salary – higher for executive positions or employees making more than \$50,000K/year^{3,4}
- Direct replacement costs
 - Advertising, screening, interviewing
 - Payout of accrued PTO



Turnover is a Management Risk with a Wide Variety of Subtle Risks and Costs

- Lost productivity
 - Capacity loss
 - Unable to meet TATs
- Training time for replacement, and loss of training time investment in former staff
- Uncertainty that a new hire will work out
- Brain drain hinders future growth
- New competitors out there that you trained





What are the Key
Causes of Turnover?

It's Not All About the Money

- Less than ¼ of employees who quit leave for a raise elsewhere
- Pay rate and benefits generally ranks about 3rd in surveys of why employees leave⁵



Why People Leave

Disengagement:

- Multiple large studies show that only about 30-35% of employees are “engaged” in their work³
- This can be management’s fundamental challenge

What leads to disengagement?

- Poor relationship with direct manager
- Lack of faith and trust in senior leadership
- Chronic uncertainty due to financial pressures and the need to do more (sometimes with less)



How to Mitigate the Risk of Turnover

Increase Engagement!

How do you keep vast numbers of diverse individuals interested in their work, feeling good about their organization, and working as productively as they can?

This presents a huge opportunity to improve employee productivity and motivation by increasing engagement.

The Five Keys to Staff Retention

1. Supervisors
2. Colleagues
3. Culture
4. Rest & Relaxation
5. Growth Opportunities



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The #1 Reason People Leave:

Their Relationship with their Boss

- Even if they love the company culture, people will still quit if they don't have a good relationship with their direct supervisor
- Before promoting someone to a supervisory position, consider:
 - How is this person recognized by their peers?
 - Does this person inspire their co-workers?
 - Do they provide clear information to their peers?

Development of Supervisory Staff

“Employees don’t quit their job, they quit their boss”

Train managers how to:

- Express respect and appreciation for their employees’ work and ideas, and provide timely recognition
- Give employees freedom to make decisions on how to do their jobs (don’t micromanage)
- Be transparent – give employees access to reasons behind decisions

Each of these things will increase the likelihood that an employee will stay by about 30%.⁴



The Monthly 1-on-1

(30-60 minutes per month with each direct report)

Good communication is critical to developing a good relationship between an employee and their supervisor!

- Keep it short and simple, and meet in a comfortable setting
- Ensure conversation is 2-way
- Take notes and follow-through on commitments
- Be a good listener (assess stress, work/life balance, morale)



One-on-One Record

Employee:

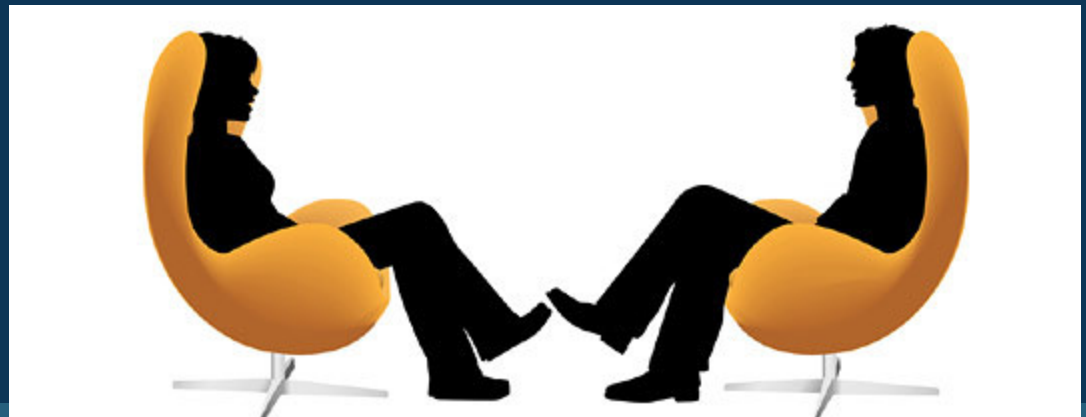
Date:

PAST

- 1) What goals have you accomplished since our last One-on-One?
- 2) What didn't you get done, but intended to? Reason?

CURRENT

- 1) The most important problem, decision, or challenge you are faced with right now is:
- 2) The most important opportunity you are facing at the moment is:
- 3) The one area in the company that we need to improve right now is:
- 4) What are your Top 3 priorities or goals for the next 30 days?
- 5) As your supervisor, what can I do or provide to better support you and your goals?
- 6) As your supervisor, what can I do differently that would be helpful?



The Power of Good Colleagues

- In today's organizations, we're far more likely to interact with our colleagues than we are with our supervisors or senior management.
- Employees are more likely to stay longer if they have a high level of respect and recognition from and for their peers, creating a culture of responsibility and appreciation.
- Superstars may leave if they feeling like they're playing on the "B Team".

If you want to create a great place to work, then
hire people that are great to work with!



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Reducing Turnover Starts with Recruitment (Screening & Interviewing)

- Don't hire just on the skills listed on the resume
- Before you hire someone, determine whether or not they'll fit into your company culture
- Assess whether the job being offered is the right fit for their career path
- Hire candidates that show an attitude of positivity, innovation, and productivity during their interview.



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Create an Incredible Company Culture!

- Develop and constantly communicate your mission, vision, and core values
 - Grass roots development can encourage company-wide buy in



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BAL Mission, Vision, Core Values

Our Mission

To provide the highest quality analytical services for trace metals and metals speciation customized to address the needs of our clients.

Our Vision

To support better environmental, human health, and scientific decision-making by providing high-quality analytical services for metals in a workplace that honors our core values.

Our Core Values

Culture: Each employee, no matter what their position or tenure, is empowered with a sense of stewardship. We are accountable to each other and to our clients for acting with integrity, efficiency, and strength of character. We take great pride in the work we perform individually, the quality of our product, and being part of a company that is passionate about its culture of resiliency and employee-centric values.

Quality: Our company is built on a foundation of doing good science with integrity to produce excellent data quality that is highly valued by our clients. We are the recognized experts in our field, with a superior reputation for delivering outstanding and defensible data quality along with the technical analysis to break down the barriers to understanding chemistry for our clients. We pair this with proactive customer service that is truly responsive to the clients' needs and delivers beyond their expectations.

Work Environment: We strive to support each other in an enjoyable professional atmosphere that promotes safety while honoring the diversity of our co-workers and their ideas with respect and openness. We continuously enhance our understanding of science through collaboration, teamwork, creativity, and problem solving. We support each other in personal and professional pursuits.

Create an Incredible Company Culture!

- Develop and constantly communicate your mission, vision, and core values
 - Grass roots development can encourage company-wide buy in
- Be open, honest, and transparent as possible
 - Consider Weekly Huddles or similar



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The BAL Weekly Huddle

10-Minutes every Tuesday at Noon

- Good News!
- The Numbers
- What Does it All Mean?
- Challenges
- Number Ones
- Group Cheers!



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The Numbers (metrics measured weekly against a goal):

- The SC Group shipped out ___ items for bottle orders.
- The TM Group analyzed ___ samples for total metals.
- The SP Group analyzed ___ samples for speciated metals.
- The HG Group performed ___ THg/MeHg analyses and ___ HGAAS analyses.
- The QA Group QA'ed ___ batch/analytes, with an average passing rate of __%. The average time each batch spent in QA was ___ days.
- The PM Group sent out ___ reports, valuing \$___. We received \$_____ worth of new work last week. \$___ worth of work is currently late.
- The BD Group reported that ___ quotes were sent out last week, with a total probably value of \$___. Last week we contracted \$___ of new work.
- The Accounting Group reported that last week we had \$___ in cash receipts.



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Create an Incredible Company Culture!

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- Be open, honest, and transparent as possible
- Provide the best benefits you can afford
 - Consider profit-sharing plans and generous PTO
- Streamline requirements and keep the work scientifically challenging
 - NELAC, DoD, DOECAP, ISO, QAP...so many requirements!
 - people need to use their brains, not just follow SOPs



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You Don't Have to be a Big Organization to Offer Highly Valued Perks!

- Flex-time or remote work options
- Gym memberships
- Free food or catered lunches



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Rest & Relaxation

Don't forget the value of downtime

- Tired, burnt out, and stressed employees are 31% more likely to be looking for a different job
- Employees with good work-life balance and who are encouraged to use their PTO are more likely to see themselves staying long-term⁶
- How leaders model number of hours and amount of vacation time taken sets norms that trickle down to expectations.
- Use 1-on-1's to tune in to employee's needs to minimize burnout



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Growing a Great Team

Professional Development and Growth Opportunities

- Professional growth and career trajectories are expectations employees have
- 75% of millennials say that would look for a new job if they didn't see opportunities for professional growth
- In our field, keeping the staff scientifically stimulated can be key
- Consider internally funded research projects, opportunities to attend conferences, outside education (short courses), books, webinars, etc.



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Leaders Have Control Over Turnover

- Invest in the employee development and growth, not just training
- Ask for feedback, and act upon it
- Recognize good work
- Create a culture of trust and openness
- Pick the right managers and leaders
- Hire for cultural fit
- Embrace opportunities for socialization
- Openly discuss workload and expectations



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That said...

Some turnover is good

There are generally two kind of people who stay with the same company for a long time:

- Those who love their jobs!
- Those who are too lazy to leave.

Looking for a new job is hard work, and some people would rather stay unhappy in the job they already have rather than find the motivation to look for a new one.

- Disengaged employees show up but don't give 100%
- Employees with poor morale can be contagious



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That said...

Some turnover is good

- Some turnover can be beneficial to the health of an organization
 - New ideas and creativity
 - Young folks keep the old folks young
 - Employee who loved your company but wanted a different career path may become a valued client or make key referrals for your company



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Sources

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206-632-6206



info@brooksapplied.com

Thank you!

Contact info:

Michelle Briscoe

michelle@brooksapplied.com



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info@brooksapplied.com