

Plugging the Corporate Memory Drain

An Executive Briefing from Jim Sirbasku, CEO Profiles International, Inc.

Have you fully considered what happens when you lose an employee, particularly one who has been with you an extended period of time?

A chunk of your business leaves with the ex-employee. Let me explain.

The ex-employee has knowledge about how things are done, where items are stored, little facts and figures, and other information that no left in the company has. Your business has in effect lost its memory. For example there is a mountain of data from every computer your employees use and you may assume that because valid information is there that you can get it when you want it. But because of the intricate system of hard disk folders layered one over the other, maybe the only person who organized the computer knows where to find the files you are looking for and need and more importantly that person has walked out the door six months ago.

I recently read a study that says 80% of company's digital data is generally inaccessible because it is stored as personal files on personal computers. That's like saying a business could lose up to 80% of its memory due to employee turnover. Now that is a scary thought! While there is some turnover you cannot prevent it is generally believed that approximately 80% of employee turnover is avoidable. How can a business diminish the effects of corporate amnesia? We should examine the conditions in our company that cause people to leave.

I contend unwanted turnover is prevented two ways. First, by not hiring people who are poor risks for long term employment and second, providing better leadership and management once people are hired.

Many people get their jobs because managers make an assumption that a capable person with proper training can perform any job well. This is a flawed assumption! This assumption does not account for job matching of soft skills found in behavioral traits, personal interests and thinking styles. More often than not conflicts between job requirements and employees' soft skills lead to poor performance and turnover.

Once again, let me ask. How can a business diminish the effects of corporate amnesia? My answer is by using professional assessments that match employees to the work they do. People with jobs that match their skills and preferences tend to stay in their jobs, perform efficiently, and solve problems, not create them. Assessments are easy to use and the good ones provide job matching information as well as information on the total person and even interview questions.

Now for the second half of this two part solution. Our research discloses that people do not quit companies; people quit people – generally their managers.

Unwanted turnover suggests that manager's performance may need evaluation and improvement. Too often we think the loss of a manager will hurt our organization when the truth is all of their employees are pouring vodka in the water cooler and holding a celebration because the manager is gone.

The solution to this problem is an easy one. A 360° Feedback survey is based on leadership and management skills followed by a targeted program for management skill development that should be put in play. An analysis of your unwanted turnover manager by manager should show you where to start but I recommend all of your managers go through a 360° survey.

To discover effective solutions that plug the memory drain in your company contact Profiles International, Inc. at 1-800-767-3995.

