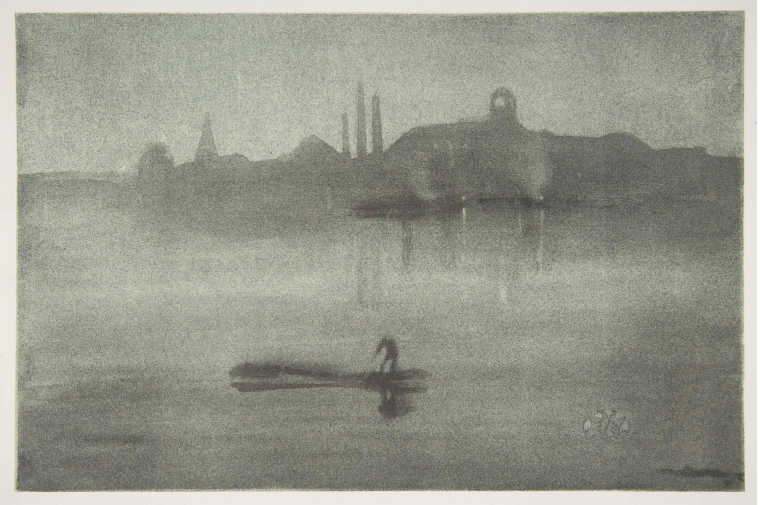
What to Do When Your People Are Leaving

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There are few things more unsettling for people-driven businesses like tech companies, professional service firms and asset managers than a spike in attrition. High attrition can easily become a downward spiral, as the exit of key people causes others to question the firm's health and the opportunities they'll have. Often management teams haven't experienced this problem before, and there's a temptation to panic. This is the second-worst thing to do… after putting one's head in the sand and assuming the problem will just get better. As with many types of crisis, incisive focus on the root causes is critical to success. This post is a guide to getting at these root causes, but these fundamentals also have broad applicability for retaining people in all times, good and bad.

If you're a founder/CEO in this situation, you're likely to feel under extreme pressure and may not even feel like you have the luxury to step back to read this post and work through a systematic approach. If that's the case:

1. *Give this post to your head of People or if you don't have one, to a trusted member of your team who can be your right-hand person in working through this crisis*
2. *Immediately prioritize having five discussions with team members below the leadership team level, this week, in which you: (a) convey that you value them; (b) truly understand from their perspective their broader career aspirations, and what's working and not working for them in their roles; (c) begin to think with them about the best value proposition you can offer them, looking at every element except compensation; (d) agree to continue the conversation, and agree with them that they will proactively come to you if they're considering leaving, well before they get to the state of weighing concrete offers*

3. *Schedule a 90-minute leadership team meeting for next week about a holistic response to this crisis, and 30 minutes in advance of that meeting to prep with the individual you've assigned to read and reflect on this post*

Nearly all crises of this kind are fixable, but fixes are rarely superficial. If you can truly fix the crisis, your company will get stronger.

At a moment of stress, when too many people are leaving, there is a natural impulse to focus on "what's going on at the company level that's driving this." While there may well be company-wide dynamics impacting attrition, it is important to first get more granular and look at causes at the level of individual people. Except when a group explicitly decamps together to join a competitor or start a new venture, people influence one another, but leave as individuals. It is useful to think about attrition as having three different kinds of causes:

(A) The person leaving simply has a better opportunity by their own yardstick of evaluation, which gives them substantially more of whatever it is they value. This could be responsibility, a certain kind of work, money, lifestyle, advancing a certain cause, etc. In this situation, even if their day-to-day experience were positive and even if their long-term confidence in the company were high (both of these things may or may not be true in any given case), it would be a relatively easy decision to accept the new opportunity

(B) The person leaving is having a negative experience in their current work. This might be (1) sufficiently unbearable that there's a reflexive decision to leave; (2) bearable, but a factor that becomes "why put up with this" when faced with a choice to jump to another opportunity that's equivalent or has an edge; or (3) not so much to deal with considered as an isolated incident, but a decision factor in the context of a view that the problem is endemic, and likely to be experienced over and over again

(C) The person leaving could potentially have a better value proposition by staying in their job, but because they are unsure about the company's trajectory as a whole, they "discount" the future value of staying (e.g., they are worried that financial instability will put their job at risk, or they are worried that the company won't grow enough to open up the relevant promotion opportunities, etc.). B3 and C bleed into each other in that both are about future expectations, but it feels useful to separate them out because they feel so different to the people involved

These three types of attrition need to be addressed in very different ways. If there's a lot of A, that requires focus on the question of whether there's a mismatch between the kinds of people the company is hiring (especially in terms of what they value) and the company's value proposition, or whether there's simply a gap in the level of value the company can currently create for employees vs. what's needed to be competitive. These structural problems take longer to resolve, but it's important to recognize them as they will keep creating issues until they are fixed.

B and C can potentially be acted upon quickly. Acting on B requires changing something in the context of the day-to-day work — including often the way the direct manager is engaging, or who that manager is. Acting on C hinges on reshaping expectations. Because of this, there's a frequent trap in addressing C to overpromise at a time when credibility is low. In these circumstances, the promise doesn't have much positive impact. In fact, the people most at risk of attrition are likely to be hypersensitive about any gaps between promises and what unfolds, so making promises likely to be further fraying of credibility.

The only way to disentangle the different causes of attrition is to have real conversations with people who are leaving, conducted by someone they trust. If you're worried that the fabric of trust in the company has been undermined, hire someone from outside who will immediately establish confidence – perhaps a solo consultant who will work by the hour or a credible HR professional between jobs. In these conversations, the interviewer should strive to understand reality from the point of view of the person departing and connect that back to the details of what's going on inside the company. Thematic findings like "dissatisfaction with managers who are political, not developing people and not interested in understanding barriers to doing good work" aren't useful—the interviewer needs to drive to actionable detail about where the problems are, at a level that enables top management to see what specific decisions they face (e.g., fire a toxic leader, move a manager into an individual contributor role).

There's a fine line regarding how to honor promises of confidentiality and at the same time get granular enough to see what's really happening. I believe that it's generally best to go into the gray area regarding attribution, respecting boundaries about specific things that a departing employee is clearly uncomfortable putting on the record. This makes it essential to be absolutely certain that there are never reprisals – and dealing decisively and harshly if anything that feels like a reprisal happens. As an interviewer, I have found that I can generally gain permission to put useful insights onto the record if I talk through carefully why this is valuable.

While having these exit conversations, you should also prioritize parallel conversations with the people who remain. Even if you've hired an external person to do exit interviews, these conversations should be conducted by team members from the inside. The purpose of these conversations is:

1. To convey that the individual is valued
2. To find out what the individual's current experience is, what's working and what isn't, what their aspirations are, and how they are thinking about their career – on the inside and potentially on the outside
3. To figure out the best value proposition the company can offer them, in the context of the company's actual needs
4. To open up a channel of communication that raises the likelihood of getting advance warning if someone is considering leaving – ideally before they have an offer in hand – and getting the chance to influence the outcome

If the leadership team touches every single person or at least every person critical to the company's future performance – which can generally be done within a week or two in a company of up to 100 people if this is made a high enough priority – this creates the insights needed to build a map of key

talent, understand where there are risks and what steps need to happen, and assign someone senior to stay close to the pulse with each individual who is particularly important or particularly at risk. During a time when a company is stressed, a daily stand-up meeting for top leaders usually makes sense, and that can be a forum to ensure that the team is reaching out to people at the critical times, not just to keep them but to make them ambassadors who will help retain others.

As you "swarm the problem" and learn what's driving attrition and what's important to the people who remain, you're likely to see that the drivers of attrition (A), (B) and (C) have all to some degree been at work. You can't solve for everything at once, so decide where there's the most leverage. For instance, for a professional services firm, the two fastest levers to pull in addressing retention at the person-by-person level are making project teams energizing and effective, and ensuring there's an open dialogue on the project team about each key team member's experiences, aspirations and issues. For a mid-size firm, it makes most sense to think about teams one by one, laddering up to actions at a firm-wide level if and when that makes sense, versus focusing primarily on firm-wide processes. If a firm can make eight of the top ten teams feel like they're humming, that goes a good deal of the way toward fixing issues relating to team member experience in day-to-day work and ripples upward to increase confidence in the direction of the firm. Focusing on the team-by-team level also helps address the problem of top leaders being disconnected from the work.

Ensuring confidence in the direction of the company as a whole certainly matters as well. Any actions you take toward this goal will be most impactful if they build on solid foundations at the team-by-team and person-by-person levels. At a company-wide level, what matters most in the context of attrition is to make goals concrete, transparency high, and communication cycles short. Unvarnished communication about reversals makes communication about wins more credible. Don't be afraid to be negative or to admit your fears.

If people lack confidence in the company, often this will be expressed in terms like "we don't really know what the strategy is" or "we've heard that X is our strategy, but we don't really see this translating into the day to day." This creates a temptation to create a grand reveal that answers all the open questions about strategy and the roadmap to execute strategy. To the extent that you have truly compelling answers to all these questions, by all means reveal them. However, in contexts like these the lack of clarity usually relates to genuine unknowns that can't fully be resolved without taking actions that require time. Acknowledge this! The more that members of the team broadly see what top leaders see, including what makes certain questions impossible or unwise to resolve now, the more everyone will sit on the same side of the table. Most people can live with issues they feel they understand, and the energy released by relieving everyone of the need to speculate about what's really happening and why can be channeled into productive use. Anyone who will leave because they learn something true about the company's weaknesses and unknowns will probably leave anyway.

If you've recently lost too many people, you're probably hiring aggressively at the same time you focus on stopping the bleeding. These new hires can themselves be a powerful lever for improving retention. Be specific about what you want each new hire to experience in his or her first 90 days and build a systematic way to make sure these experiences happen. For instance, a firm doing project-based work could resolve that within their first 90 days, new hires should:

- Have a 1:1 with their project leader, after they are initially assigned to the work but before too much time has passed, in which they talk about how the work at hand connects to the broader firm mission and what the project team can do to advance the firm's broader capabilities
- Participating in a business development meeting with a senior member of the firm, and having a chance to ask questions and learn from that experience in terms of "where work comes from"
- Writing a reflection on their aspirations for their first two years, in terms of things they want to learn, ways they want to grow, impact they'd like to be part of achieving, etc. – and having discussions about that reflection with at least two more experienced / more senior people
- Being part of a roundtable with a few peers and at least one member of the executive team that provides an opportunity to give feedback on what they're observed about the firm in their first few months on the job

These experiences set tone in a positive way, and new hires who have experiences like this will positively "infect" their more-tenured peers with a sense that things are going right. If experienced colleagues are drawn upon as mentors of the new hires, there will be positive leverage simply from the mentors seeing that their mentees are being treated so well.

This undoubtedly sounds like a lot of work — and it is. The upside of taking this approach goes far beyond turning the tide on a spike in attrition. Engaging with people in these ways creates a fabric of trust, visibility into management issues that impact operations and customers, and a powerful sense of shared focus. After pushing through a crisis, a company has an opportunity to reset expectations and to benefit from more open dialogue and greater transparency. As I've shared in a "sister post" on How to Retain Talent – And How to Lose People In the Right Way, creating a culture in which people can talk openly about questions of staying and leaving has tremendous long-term value. **An attrition crisis shouldn't be wasted.** If leaders act decisively in the ways I've outlined here and learn how to deserve better retention, a company can easily emerge stronger from such a crisis, with a more engaged and better-aligned team, and with a set of practices that will keep the culture healthy as the company grows.