

Valued Employees: Are You Loving Them Yet Letting Them Leave? What's the Cost of Training vs. Turnover?

"What I hear, I forget. What I see, I remember. What I do, I understand."
- Confucius

As an employer, you know that attracting and retaining qualified employees is key to running a successful operation. So you believe you have the right people on the bus. And in the right seats. Yet you have employee turnover. Several studies have shown the main reasons valued employees leave an organization:

- employer hasn't provided a clear path for advancement and/or opportunities to grow personally and professionally
- employer hasn't recognized an employee's untapped potential
- employees feel they don't have the proper skills to perform their jobs effectively

When you're in the business of SBA and business lending, having staff at full strength is critical to having processes handled correctly. When employees are up to speed, your customers are happy and your institution's SBA and business lending operation is more profitable.

It's a given: Developing clearly defined operational processes, staff responsibilities, trained staff, and written job descriptions and policies and procedures costs money. Another given: Employee turnover costs money. Some estimates put replacement costs for one employee at 150% of the employee's annual compensation and benefits, and as much as 200% to 250% for management positions. Multiply that by your organization's rate of turnover! Here are some of the factors:

Separation costs

- exit interviews
- administrative functions related to termination
- separation/severance pay
- any increase in unemployment compensation

Vacancy costs

- overtime for existing employees and/or hiring temporary employees

Replacement costs

- attracting applicants
- interviews and testing
- pre-employment administrative expenses
- medical exams
- acquiring and evaluating information e.g., background checks, references

Costs in new employees getting up to speed

- differences in productivity between employees who leave and their replacements

Clearly, training qualified employees from Day 1 plays a significant role in shaping and maintaining your institution's organizational culture and earning maximum profits for your SBA and business lending program.

At J.R. Bruno & Associates, we're known for our Team Training. What makes us different: Training is "learn by doing," with personal, hands-on guidance. Importantly, it's a comprehensive education designed for the long haul, and includes a complete analysis of your staff's experience and expertise before any training begins. We can help your institution create and maintain a training culture that encourages personal and career development resulting in increased employee and customer retention and increased profitability. Let employee training pay off for the long-term!

Call JRB at 415.362.1200. Or visit www.jrbrunoassoc.com.

We look forward to discussing your organization's training needs!

Joanna

Joanna Bruno
President
J.R. Bruno & Associates
870 Market Street, Suite 462
San Francisco, CA 94102
415.362.1200
joanna@jrbrunoassoc.com

Visit us at www.jrbrunoassoc.com