

# NewsRelease

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## **GUARD AGAINST LOSING GOOD EMPLOYEES WHEN TIMES ARE TOUGH** *Key people may leave when the economy improves, says MRINetwork*

**Philadelphia** -- Even employees who have survived downsizing and who have been assured that they are valued by their companies may be thinking about changing jobs as soon as the economy improves. Often management is unaware of the level of dissatisfaction among workers and fails to take steps to prevent significant turnover, according to **MRINetwork**, one of the world's largest search and recruitment organizations.

"Although companies who have been through this cycle before try to be proactive by offering bonuses or words of praise or flexible hours, these measures are often not enough," says Michael Jalbert, president of **MRINetwork**. "During periods of economic downturn, employees can feel that senior management is less than candid about the financial status of the organization and its future prospects."

Jalbert observes that those companies who emerge from shaky economic times with their key people intact are those that consciously initiate policies that foster employee loyalty; he offers a number of suggestions:

- **Make it easy for people to move within the company.** This means with minimal bureaucracy and without time constrictions. "One of the reasons that people think about leaving a job is the perception that there is little opportunity within the company," says Jalbert. "When a slow economy reduces the challenges and excitement of the job, boredom can become a real problem."
- **Develop and educate employees continually and put them on teams.** Sometimes companies deal with a faltering economy by putting a freeze on development and training. "Farsighted companies realize that when things are slow, their people have the time to devote to acquiring new skills and knowledge," says Jalbert. "One way to keep the cost down is to assign people to project or cross-functional teams where they can learn from experts while doing useful work." Combine this with some thoughtful mentoring, he says, and you have created a very useful development tool.
- **Help every employee build an internal social network.** One thing that often keeps people from actively seeking new positions is a strong attachment to their coworkers and colleagues. "We all know how powerful networks are," says Jalbert. "Companies that actively promote employee interaction and teamwork have less discontent and less turnover than those that keep employees apart or at odds."
- **Provide a mentor.** Mentoring is something the Gen Y employees (18-to-25-year-olds) are particularly looking for, but it is something that older employees appreciate as well. "Mentoring is not the same as coaching, which is often focused on self-improvement and overcoming weaknesses," says Jalbert. "Mentoring is more appropriately thought of as a way to teach. When employees have a real mentor, they are more challenged and more likely to want to stay and continue to build the relationship."
- **Communicate frankly and frequently.** Forgotten in a time of national apprehension about the economy is the critical need to be honest -- not just in financial reporting, but also in relationships with employees. "Senior management must be as candid as possible, even if it hurts," says Jalbert. "There is too much known information available on the Internet and from analysts to cover much up. If business is bad, let employees know, and set up ways for employees to see the CEO and other top managers in communication meetings so that they can ask their questions and vent their concerns."

Jalbert observes that people get frustrated, sometimes even angry, at how their organization handles layoffs, and often they are even a little bit bored. "When these elements are present, turnover is almost certain to rise, even in a bad economy," he says. "But losing good employees -- and for some companies that's pretty much all of the remaining staff -- is a sad event, and one that will make returning to a better economy more difficult."

**About MRINetwork:**

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