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Awards

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Amid the economic downturn, a company ranked among the best employers by the Great Place to Work Institute saw its turnover rise 1 percent per quarter, reaching a historic high of 11 percent.

"When we saw this uptick in turnover, especially when the economy was going in the other direction, we wondered, 'What's going on?'" says KC Simmons, manager of learning and development at data-storage company NetApp.

Exit interviews showed that employees were leaving because they perceived limited opportunities for career development and craved better relationships with supervisors. At the same time, the company's biggest competitor had launched a bold effort to poach talent. This rival went so far as to park Mini Coopers emblazoned with its logo around NetApp's Sunnyvale, California, campus and to stencil its logo on sidewalks.

To address the problem, NetApp put in place a comprehensive career-development initiative. The company mandated two full-day workshops for all managers who had direct reports, suggested that managers and employees jointly develop career-development plans, and encouraged managers to mentor talent.

In the first workshop, managers identified top talent and those at risk of leaving, explored their roles as career coaches, worked on engagement and retention plans and learned how to conduct "stay interviews."

"The stay interview is about what you would ask employees two weeks before they left rather than two weeks after they left," Simmons says.

The second workshop taught managers how to help employees set, track and achieve goals. Participants also practiced coaching employees, gaining confidence in providing effective feedback and in their abilities to navigate difficult conversations.

Thanks largely to the program, turnover at NetApp dropped 3 percentage points to 8 percent by January 2011. That meant the \$2 million spent on the initiative yielded \$12 million in savings in the form of reduced recruiting, new-hire assimilation and training expenses, according to NetApp's calculations.

For its retention effort with a clear bottom-line boost, NetApp is the 2011 winner of the *Optimas Award* for Financial Impact.

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