

THE BRIGHTON GROUP

an OI Partners company

COMPANIES GROWING CONCERNED ABOUT GOOD EMPLOYEES LEAVING & COST TO REPLACE THEM

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Bellevue – June 9, 2008 – With more workers voluntarily leaving their jobs than being laid off for three straight months, companies are becoming more concerned they may lose good employees in a better job market, according to a survey by OI Partners-The Brighton Group (Bellevue), a global talent management firm.

Almost two-thirds (64%) of companies surveyed by OI Partners are apprehensive they may lose managers in a better job market. About half of employers (48%) are concerned about losing executives.

More employees voluntarily quit their jobs than were discharged in February, March, and April this year, according to the most recent U.S. government statistics. In February – for the first time in 15 months, since October 2008 – the number of employees voluntarily leaving jobs exceeded those being laid off. Again in March and April, more workers voluntarily quit jobs than were discharged, according to the U.S. Bureau of Labor Statistics.

Replacing a manager or executive who leaves for another job, or one who turns out to be a bad hire or promotion, can be costly. It costs an average of 2.5 times an executive's salary, and 2 times a manager's compensation, to replace them, according to the survey of 262 companies by OI Partners-The Brighton Group (Bellevue) (www.oipartners.net). The costs are for recruiting and training the worker's replacement, lost business, and severance pay and benefits.

Employers are at a greater risk for losing good workers with the economy adding jobs, even at a modest pace. "There is a lot of pent-up frustration among employees who have survived layoffs, cutbacks, salary freezes, and other givebacks," said Lee Foote, managing

partner of OI Partners-The Brighton Group. "Some have stayed with their employers mainly because there were no other available jobs. But now there are a few more opportunities. Companies have to demonstrate to employees that they are valued by investing in their career development, or they may lose them," Foote added.

To bolster their efforts to retain managers and executives, 4 out of 10 companies are offering better salaries and benefits, and more than half of organizations are utilizing training, coaching, and other developmental programs, the survey found.

In addition to trying to retain good employees, companies need to pay closer attention to hiring and promoting the right people the first time. The biggest consequence of hiring or promoting the wrong executives is lower morale, according to 81% of surveyed companies. Other negative impacts of having the wrong executives in place are: lower worker productivity (according to 74%), lost business (53%), and higher employee turnover (48%).

The biggest negative consequences from hiring or promoting the wrong managers are: lower employee morale, cited by 84% of companies; decreased worker productivity (82%), and higher employee turnover (59%).

"Hiring or promoting the wrong executives and managers can damage the employee morale and productivity required to get businesses moving again. Companies need to adopt an effective talent management strategy to identify, develop, and retain top talent and ensure that employees are achieving their full potential. The survey demonstrates that businesses need to focus on coaching executives and managers in motivating employees, engaging them in their jobs more fully, and promoting better teamwork," Foote added.

U.S. Bureau of Labor Statistics data:

Month	Voluntary Quits	Layoffs & Discharges
April 2010	1.98 million	1.75 million
March 2010	1.92 million	1.82 million
February 2010	1.85 million	1.82 million

According to results of the OI Partners Talent Management Survey:

- 64% of companies are concerned that managers may leave for other jobs in a better job market
- 48% of companies are concerned that executives may leave for other jobs

- Cost to replace an executive: Average 2.5 times executive's salary
- Cost to replace a manager: Average 2 times manager's salary
- Methods companies are using to retain executives:
 - In-house coaches and trainers: 52%
 - Better compensation and benefits: 45%
 - Outside coaching firms: 33%
 - Stock options: 28%
- Methods companies are using to retain managers:
 - In-house coaches and trainers: 67%
 - Better compensation and benefits: 43%
 - Mentoring programs: 27%
- Consequences of hiring or promoting wrong executives:
 - Lower employee morale: 81%
 - Decreased worker productivity: 74%
 - Lost business and market share: 53%
 - Higher employee turnover: 48%
- Consequences of hiring or promoting wrong managers:
 - Lower employee morale: 84%
 - Decreased worker productivity: 82%
 - Higher employee turnover: 59%
 - Lost business and market share: 52%

About OI Partners

OI Partners is a leading global talent management firm that helps individuals find new careers and employers to improve the performance of their employees and organizations. OI Partners is comprised of certified career management professionals who specialize in executive and group outplacement, executive coaching, leadership development, workforce planning, and talent management. The company was established in 1987 and is now located in 200 locally-owned offices in 27 countries with more than 100 U.S. offices. Please visit www.oipartners.net or call 800-232-5285.