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Contact: Jen Jorgensen

404/266-7538

jjorgensen@webershandwick.com

Counterintuitive But True: Employers More Concerned about *Keeping* Employees in a Slow Economy According to a *PDI Pulse on Leaders* Study

MINNEAPOLIS (September 23, 2008) – Nearly all leaders report a heightened concern for retaining key employees in a down economy according to a new Personnel Decisions International (PDI) Pulse on Leaders study. The study also shows that most organizations focus on offering compensation as a means of securing employee retention, despite development opportunities being recognized as the most effective tool.

“It may seem counterintuitive that organizations are more concerned with retaining key employees in a down economy. But, when the economy is tight, company leaders realize that the best and brightest talent can give the organization a competitive advantage,” said Tommy Daniel, Ph.D., senior vice president, PDI.

“Unfortunately, with fewer resources, many employees are overworked and worried about the future and look outside the company for other opportunities. That’s why focusing on the right retention tools is more important than ever.”

PDI surveyed 530 human resources professionals and other business leaders around the globe to uncover how organizations are approaching retention in the current economy and what tactics they found to be most successful. The e-mail survey was conducted in August 2008. The 530 respondents included:

- 50 percent from organizations larger than 5,000 employees
- 46 percent from North America, 27 percent EMEA, 14 percent APAC, and 13 percent other
- Responses from 34 countries

Respondents ranked “accelerating development of key employees” as the top strategy (by 32 percent) that worked in retaining top talent followed by “competitive pay and benefits” (by 22 percent). However, while many did try a strategy of development, they didn’t prioritize it over other strategies including “competitive pay and benefits,” “pay for performance,” and “non-pay recognition programs.” The research shows most organizations appear to take a shotgun approach instead of focusing resources on the most important tactics and strategies believed to be most successful at retaining top talent.

“We advise companies to prioritize their retention strategies, identify key talent pools, and make strategic choices that help keep high-performing employees engaged and committed,” continued Daniel. “Even in a tight economy, there are steps that companies can take that make a big impact without costing money. For example, senior leaders can make the effort to speak one-on-one with key employees to communicate how the organization values their contributions. Leaders can ask key employees to participate in strategy discussions that make the employee feel more invested in the company and more involved in developing company solutions.”

In order to successfully retain top talent, PDI recommends:

- Identifying top performers and high-potential employees
- Tracking turnover rates of these key employees separately from overall turnover figures
- Having senior executives talk individually with key employees to communicate the employee’s value to the company
- Investing in proven retention practices including developmental opportunities for key employees

MEDIA NOTE

Look for future data releases from the *PDI Pulse on Leaders*.

The *PDI Pulse on Leaders* analyzes different workplace questions on a regular basis and can be used as a source for gaining insight on the inner values of talent management and leadership development.

ABOUT PERSONNEL DECISIONS INTERNATIONAL

Personnel Decisions International (PDI) is a global leadership consulting firm with distinctive expertise in building leadership talent that provides real competitive advantage. With more than 700 team members in 30 offices around the globe, PDI partners with the world's leading organizations, enabling them to make consistently effective talent decisions about leaders.

Using field-tested strategies and tools that are unique in the industry—we help clients identify, develop, and deploy superior leaders. Our aim is simple—the well-placed confidence that clients' current and future leaders are distinctively stronger than the competition, resulting in sustained, superior performance. For more information, contact PDI client relations at 920.997.6995 (in the U.S. 800.633.4410) or visit PDI's Web site at www.personneldecisions.com.

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