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Mrs. Heather Thompson
NAF Human Resources Director
Luke Air Force Base
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Dear Mrs. Thompson:

Enclosed is the report "Improving Employee Retention and Turnover Rates" that requested in response to my proposal memo that was given to you earlier this month.

This report will address the areas that need attention in an effort to improve employee retention rates and reduce turnover. With substantial evidence from various sources, that will back up my argument my hope is to potentially save us thousands of dollars each year in wasted training dollars and reduce the stress levels of the staff that has to continually train new staff members.

I greatly appreciate your time taken to read this report, and hope that it will be of use to you in your future decision-making processes for the Information, Tickets and Travel office.

Sincerely,

Stephanie Barnett

Stephanie Barnett
Travel Agent and Ticket Sales

Improving Employee Retention and Turnover Rates

Presented to

Heather Thompson
NAF Human Resources Director
Luke Air Force Base

Prepared by

Stephanie Barnett
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19 September 2XXX

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Executive Summary

Purpose and method of this report

The Information, Ticket and Travel office has lost two valued employees recently. The impact of these unfortunate circumstances has created unfavorable working conditions due to an inadequate level of staffing and an immense amount of stress for the remaining employees. I plan to facilitate the distribution of an employee survey that will address

- Employee retention incentives
- What makes employees envision longevity with the company

Primary research will be performed at the Luke Air Force Base Information, Tickets and Travel Office. Six of the current associates will be administered an identical survey with 5 questions pertaining to what makes them come to work each day and what are the strengths and weaknesses of management. The results of these surveys will be used to determine what the staff finds most important when it comes to employee retention and how well the manager is doing at making employees feel valued.

Secondary research was collected from a variety of scholarly written journals and books.

Findings and Conclusions

The results of this survey should show what areas that we are lacking in for employee job satisfaction. What the staff is looking for to stay long term, and how they think stress levels can be brought to a more manageable level by management.

Recommendations

Recommendations to improve employee retention and reduce stress include:

- Creating a revised retention program
- Training that fosters the potential for growth within the company

Introduction

Background

The Luke AFB Information, Tickets, and Travel Office has experienced the loss of two employees in the last few weeks and several over the last year, that is proving to be detrimental to the staff members that have to continually retrain new staff with retention rates and turnover needing immediate attention. The Information, Tickets, and Travel office at Luke Air Force Base does over two million dollars in sales each year. As one of the top military travel offices in all of the United States, it is vital for the success of the office to keep turnover low and employee retentions at optimal levels.

Purpose

The purpose of this study was to address the concerns that the employees have in regards to job satisfaction and development and determine what will keep our staff loyal to us and mitigate the problems with turn over rates and improve employee retention.

Overview of Methodology

The following methods were used to determine what is most affective in improving employee retention rates and limiting turnover.

- Conducted Secondary research to help support the notion that employee retention rates and turnover rates can be improved.
- Surveyed current employees to determine their feelings about current efforts being made to retain their employment.
- Analyzed primary research to see what employees currently feel is our strong suites and what improvements can be made in regards to employee retention.

Findings and Discussion

Employee Retention and Turnover Rates

From the research completed utilizing a myriad of literary sources, that cover the phenomenon of employee retention and turnover rates, it is clear that there is a fine line that keeps employees coming back to work, week after week, with ambitious goals and a passion to excel. A few factors that were discussed as having significant impacts on employee retention and turnover rates that could be beneficial in our office, are the impact management can have if given the freedom to implement change, job satisfaction and development, and solid retention programs.

Management impact on retention and turnover rates

There are countless studies out there to support the notion that management can make or break a company in many aspects, but especially when it comes to employee retention and turnover rates. When talking about turnover rates and employee retention it is imperative to understand how exactly they are measured. According to HR Magazine, “retention=[Number of workers employed during the entire measuring period (a year or a quarter, for example) ÷ Number of employees at the start of the measuring period] x 100” and “turnover = [Number of separations during the entire measuring period ÷ Average number of employees during the measuring period] x 100” (HR News®, 2017). Essentially, employee retention is defined as how much of an effort an employer makes to keep valued staff on the payroll and turnover is defined as valued employees that voluntarily leave (Frank, Finnegan, & Taylor, 2004). “If employees have problems with their managers, their probability of leaving the organization increases dramatically, since day-to-day contact has a profound impact on staffing” (Abrams, n.d.).

The majority of the literature regarding management techniques and the impact it had on employee retention and turnover rates agreed that open, two-way communication and trust were the biggest contributing factor to success in both areas (Taplin & Winterton, 2007). Luckily, our manager Lizbeth is phenomenal, and really utilizes the two-way communication and trust factors on a daily basis. Unfortunately, she is bound by unrealistic staffing levels and no say on creating new positions that allow room for growth. Currently, there are only two tiers of employee levels before you hit management and only one management position open. Implementing supervisor titles to go along with the more complex duties that some of the employees are already doing would be an impactful start. If Lizbeth was allowed a little more freedom in these areas, it would make huge improvements because, aside from the impact the manager as a person contributes, the actual job satisfaction itself and development opportunities, also plays an enormous role in the rates of employee retention and turnover rates.

The impact of job satisfaction and development on employee retention and turnover rates

Upon further examination of the literature, it was clear that another key point impacting employee retention and turnover rates lead back to job satisfaction and development. “The first step in decreasing turnover is understanding why your employees leave” (Jardine & Amig, 2001). Making this accomplishment more difficult is the fact that “employees are reminding us that the heart is a tougher battlefield than the mind” (Frank, Finnegan, & Taylor, 2004). In today’s times, employers are dealing with both older generations and younger generations, who have very different mindsets in what they desire from their jobs. I created and conducted, an in person survey on February 28,2019, with the current staff, which as you know, includes both Millennial’s and baby boomers. The information I gathered, correlates quite well with the research that proclaims that when referring to older generations, job satisfaction is at the top of their list of reasons to stay employed by a particular company, but when referring to Millennial’s their focus is more on development (Lee, Hom, Eberly, & Li, 2018). Everyone agreed that the management provided good two-way communication, but they also agreed that they were not happy with their current promotion plan and career path. Appendix A shows the Survey provided to each employee and Appendix B shows the answers of each employee surveyed broken down by age groups. The Millennial’s do not see their selves still being employed here in one year, but the baby boomers do, because they need the stability at their age, whereas the Millennial’s have no problem moving on to other jobs that give them the purpose and development path they are seeking.

Living in a time where two very different generations have to learn to coexist in the workforce poses an immense pressure for employers to find a happy medium for both. According to a study done by Gallup, (1) Millennials want a purpose, not just a paycheck, (2) Millennials are not just looking to be satisfied by their job, they are looking for career development; (3) Millennials want to be coached through things, not bossed around or micromanaged; (4) Millennials want conversations with meaning on a regular basis, not just annual reviews; (5) Millennials want to focus on their strengths, not their weaknesses; and (6) Millennials are not looking at work as their job, but more so that it represents their life (n.d.). Baby boomers have a different mindset. At this point in time, they are focusing more on job satisfaction and maintaining their employment in an effort to secure their health and retirement benefits. According to Allison Bell of the National Underwriter, “ a good benefits package can be critical to efforts to retain boomer employees” (2005). Starting over with sick time and vacation time is not something that people take lightly as is being fully vested in a company’s retirement plan, but when employees stay only due to the fear of losing these benefits then the quality of work generally suffers (Lee, Hom, Eberly, & Li, 2018). Ultimately, a manager cannot throw money at their employees in an effort to maintain feasible retention rates (Mitchell, Holtom, Lee, 2001). Stress levels are high when the employees that remain loyal continually have to retrain new staff members. We sell more

than three hundred different tickets with almost as many different vendors. It is impossible to train staff quickly due to the nature of our line of work and when staff levels dwindle, it is imperative that a solution is created to lessen those stressful times. I genuinely believe that if job satisfaction and development were addressed, and revisions were made that included room for growth and the option for benefits after a certain period of time, then our retention rates would drastically improve and our turnover rates would decrease exponentially.

Employee retention programs

There is an over abundance of literature that documents the success of employee retention programs. “Employee retention programs are made up of a variety of components. Each of these components must work together in a systematic method to achieve the goal of retaining employees” (Gillies, 2000). In the various programs mentioned, the most successful efforts were found in compensation reviews, employee surveys, easier access to communication with upper management, and scheduling that allows for flexibility (Abrams, n.d.). Additionally, employers also have to combat economic fluctuations in regards to turn over and employee retention (Frank, Finnegan, & Taylor, 2004). Lizbeth does a wonderful job making sure that we are able to have two-way conversations with her, but the management levels above her do not make themselves available for us to discuss workplace grievances that are beyond her control. When employees know that their pay will increase with a positive compensation review it gives them something to work hard for. Our office makes enough money to float three other operations on the base that would not be able to remain open without our existence. If Lizbeth was granted more funds to be used in house for things like compensation, then I believe the tempo would change in regards to turnover rates. Keeping employees willingly engaged in the betterment of their work performance is a difficult task for any employer, which is apparent by all of the studies that have been done in response to retention rates and employee turnover. With being on a military base, there are unique hurdles that we must face with the amount of employees that have to leave due to permanent change of duty stations. If we can cultivate a retention plan that appeals to the masses, and allows employee input, then we could see a drastic change in retention rates and lessen turn over which would end up saving the government thousands in wasted training dollars each year.

Conclusion

The literature reviewed on employee retention and turnover rates shows that there are innumerable factors that play into measuring the effectiveness of various efforts. While there is no infallible method on determining what works best for all companies as a whole, it is apparent that we can look within their own walls to determine what is the best course of action to keep highly productive and engaged employees loyal to the Information, Tickets and Travel Office at Luke Air Force Base.

Recommendations

My recommendation to mitigate the problem of the turnover of valued employees and improving retention rates would be to

1. Allow more room for growth and further development such as supervisor positions.
2. I would implement a retention incentive that would offer full time positions for employees that are performing well and have been employed for at least six months.

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Appendix A: Employee Retention Survey

1. What is your age?

2. I feel like I am able to reach my full potential at the Information, Tickets and Tours office?

a. Yes

b. No

3. I am happy with my current promotion plan and career path?

a. Yes

b. No

4. Does management do a good job providing two-way communication?

a. Yes

b. No

5. Are the current benefits a reason to stay with the company?

a. Yes

b. No

6. Do you see yourself working here in 1 year?

a. Yes

b. No

Appendix B: Results of the Survey

Baby boomers responses were consistent

1. 67, 68
2. A., A.
3. B., B.
4. A., A.
5. A., A.
6. A., A.

Millennial responses were consistent

1. 24,25,28,29
2. B., B., B., B.
3. B., B., B., B.
4. A., A., A., A.
5. B., B., B., B.
6. B., B., B., B.