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[Five Insights for Retaining Top Talent](#)

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How much is employee turnover costing your organization? People are an arts and culture organization's most important and valuable resource. Recruiting the best people — and retaining valued employees — will support an organization in innovating, growing, and developing better programs for the communities it serves. As a result, when high employee turnover happens, it can have a devastating effect on an organization's ability to achieve its mission and goals.

According to the Society for Human Resource Management's (SHRM) Human Capital Benchmarking database¹, the annual turnover rate averages 15% across all industries. By contrast, the arts, entertainment, and recreation industry has a 27% turnover rate. That rate may well be expensive for your organization.

Another "cost" of turnover is that of *relationship*. In arts and culture organizations, leaders and staff members have key relationships with patrons, donors, community leaders, and other stakeholders. If a staff member leaves an organization prematurely, or if patrons see constant turnover in the box office or donor relations team, those key relationships may be questioned. They may even disappear. Often, so do the ticket sales, donations, and community engagement that go along with them. In addition, there is the relationship cost to the staff team that has to continually reinvent itself.

While compensation is typically considered the main reason for employee turnover, it is seldom the root cause of why arts and culture employees choose to leave. Factors such as working hours and workload, professional development, and workplace environment each play a role in retention rates. With these factors in mind, how can arts and culture organizations create workplaces that encourage employees to stay? In this edition of *Arts Insights*, we look at a comprehensive approach that encompasses five insights to both retain *and* inspire employees to do their best work.

1. Employee Engagement in the Mission

A recent [Accenture report](#) notes, "Research shows that, among the most engaged employees, 73% believe that their work is 'highly significant' while 26% of disengaged employees believe the same." Arts and culture employees are deeply committed to the mission, vision, programs and services of their organizations. These are the people who are producing, managing, and leading essential elements of an organization's work. Yet,

¹ For more information, see SHRM's *HR Magazine*, Vol. 57 No. 4 "5 Ways to Manage High Turnover In industries where employees come and go frequently", *HR professionals take a comprehensive approach to stem the tide.*
<http://www.shrm.org/publications/hrmagazine/editorialcontent/2012/0412/pages/0412krell.aspx>

employees can become disconnected from the greater purpose of the organization when their workload swells to comprise tasks unrelated to their jobs.

All too often, employees face a never-ending list of errands and chores that have no direct correlation to the organization's mission. In the name of saving money, and with the best of intentions, employees are pulled away from the work that matters most. Development staff run errands such as picking up flowers or serving refreshments at special events, while finance staff devote hours to office management tasks such as shopping for supplies and cleaning the kitchen. While these are necessary actions, employees are left with even less time to accomplish meaningful work. What appears to be a cost-saving policy is in fact running at a loss, as valuable employee time is spent on activities that do not directly contribute to the organization's mission.

Overloading on tasks and errands reduces the hours an employee can devote to programs and services that support the organization's mission, resulting in a sense of frustration and a disconnect with the mission. Instead, organizations may ask, "Is an hour of staff time worth the \$10 delivery fee?" or "Can we explore the option of outsourcing support services to an administrative professional or volunteer?" The answer should be a resounding yes.

2. Professional Development

The opportunity to grow and advance a career is regularly cited as a key reason why employees seek new opportunities. But for arts and culture organizations, current vice presidents and directors could be their future leaders. For that reason alone, organizations can seize the opportunity to provide both career development and mentoring opportunities to all employees, in tandem with cultivating future leaders.

Employees become more motivated and engaged when given the opportunity to develop skills and grow their careers. In addition to providing a supportive framework for employees to pursue professional development opportunities such as classes, workshops and conferences, organizations can explore the following:

- Provide time and resources for employees to experience the arts in other venues and cities. Even though it may be customary for artistic staff and curators to routinely devote time to learning more about their industry peers and competitors, this exploration can be a valuable learning experience for all employees. By seeing best practices at other organizations, employees will return with new inspiration, approaches, and problem-solving ideas.
- Offer the opportunity to collaborate on cross-functional projects. Many organizations tend to operate in silos with distinct lines drawn between each department. Adding an "outsider" to a project may sound threatening, but keep in mind that many employees thrive on collaboration, are brimming with ideas, and have much to offer.

3. Open Communication

A work environment of open communication, where employees have access to key information, fosters greater engagement. A lack of transparency, especially in regard to finances, creates a negative atmosphere and can lead to rumors that weigh heavily on the minds of employees.

Recent research conducted by [15Five](#) revealed the need for more open communication in the workplace. Based on a [survey](#) of more than 1,000 full-time employees across the U.S., 81% of employees would rather join a company that values “open communication” than one that offers “great perks such as top health plans, free food, and gym memberships.” According to the study²:

- Only 15% of employees surveyed are “very satisfied” with the quality of communication within their companies.
- Only 15% of employees surveyed believe their managers “highly value” their feedback.
- 58% of employees surveyed said managers value their feedback only moderately, slightly, or not at all.
- 62% of employees surveyed share their professional goals with managers just a few times a year or less.³

Listening to each employee’s insights and acknowledging their contributions can have a tremendous impact on organizational culture. Taking time to solicit feedback from those on the front lines can also lead to greater engagement and retention among all employees.

4. Employee Benefits

Across all industries, flex time and comp time are among the most desired benefits employers offer. The freedom from office hours, and the liberty to manage a personal schedule, is a sought-after advantage that many jobseekers desire. This need is expressed by all ages and demographics; it is not simply a wish of any particular demographic.

For arts and culture employees, the need for flex time is even greater due to the demands of evening and weekend meetings, special events, rehearsals and performances. Compounding this issue in busy organizations, most full-time employees will work excessive hours during peak periods, whether festival season, grand openings, or concert weeks. Practical organizations acknowledge that this extra time must be balanced by compensatory time, or comp time, to offset the fact that employees may work without a true day off for several weeks.

Creating flex and comp time policies, and encouraging that this time is actually taken, allows organizations to support more effective staff teams. As an organization explores the option of creating these policies, it is best advised to consult a human resources professional or legal counsel first to gain an understanding of the issues affecting flex and comp time. If neither is a feasible choice, consider exploring options such as rearranging workloads, adding part-time or seasonal employees, changing paid-time-off (PTO) policies, and outsourcing projects.

² View the full 15Five study here:

https://docs.google.com/spreadsheets/d/1XH53X4CFrxkXMuNDyS6WenAhuEWAHJ7bEIfK_ykc7F8/edit#gid=0

³ Source 15Five “15Five Study Shows Employees Want Open Communication with Bosses - But Few Get It”

New research shows vast majority of US employees prefer to join companies that value open communication over those that offer top perks. Study also shows boomer managers and millennial employees clash over communication styles at work: <http://www.prweb.com/releases/2015/03/prweb12565921.htm>

One-size-fits-all workplace hours and policies no longer meet the needs of today's multi-generational workforce. By offering greater flexibility, organizations will likely increase employee productivity while also decreasing absenteeism and turnover.

5. Health and Wellness

The [Accenture report](#)⁴ referenced earlier — *Increasing Employee Engagement in the Nonprofit Sector* — notes that the American Institute of Stress estimates that job stress “costs U.S. industry \$300 billion annually as assessed by absenteeism, tardiness, diminished productivity, employee turnover, medical costs, the loss of talented workers, and legal and insurance fees.”

Organizations that are committed to the health and wellness of employees realize benefits across all departments and functions. However, creating a workplace environment that fosters health and wellness does not come easily. But, it is an essential building block of retaining top talent. In addition to offering an attractive benefits package, organizations may consider the following tactics, some of which cost nothing but speak volumes about how much an organization cares about employees:

- Encourage health breaks during peak times. French meeting planners, for example, schedule a “pause santé” (translation: health pause) of 15 or 30 minutes to allow meeting participants to get outside for a quick walk or simply take a much-needed pause from the conversation.
- Offer healthy food and beverage options at meetings, especially those that cross into meal times. Rather than falling back on donuts, sodas and coffee, or not offering anything at all, discuss options for healthier snacks.
- Invest in broader programs that meet the needs of all employees. Wellness is not only about physical health. It can encompass depression and stress, as well as the challenges of divorce, serious illness, death of a family member, financial difficulties, and the demands of caring for loved ones. Discuss options with the board of directors, many of whom may have greater experience and resources to better support your employees.

In addition to the satisfaction leadership has in creating a healthier work environment, there is evidence that organizations may also experience lower employee turnover. A study by [Towers Watson and the National Business Group on Health](#) shows that organizations with highly-effective wellness programs report significantly lower voluntary attrition than do those whose programs have low effectiveness (9% vs. 15%)⁵.

Conclusion: It's About Culture and Leadership

Organizational culture plays a critical role in shaping the workplace and its unwritten policies, norms, and processes. In some organizations, issues of culture supersede policies regardless of whether flex time is offered or there are funds for professional development.

⁴ Source: Accenture. “Increasing Employee Engagement in the Nonprofit Sector: How to Engage Employees for High Performance”: <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Increased-Employee-Engagement-Online-View.pdf>

⁵ Reported in *Harvard Business Review* “What’s the Hard Return on Employee Wellness Programs?”: <https://hbr.org/2010/12/whats-the-hard-return-on-employee-wellness-programs>

It takes a dedicated effort by leadership to build an organizational culture that nurtures employee satisfaction and retention. An organization can begin by ensuring that leadership reflects the values of the organization in all ways, fostering a culture that respects everyone and the contributions they make. When leadership has bad habits — like the “usual suspect” of a management team that works on holidays, emailing employees when they are trying to enjoy a much-deserved day off — these habits are inherited by everyone in the organization. Conversely, when nonprofit leaders model good habits such as organizing and fully participating in a staff visit to a neighboring nonprofit as a professional development activity, these actions build a positive culture of engagement and commitment to the team and organization.

Remember, organizational culture can either retain or repel top talent. Leadership serves a vital role in bridging the gap by fostering a positive, productive, and caring organizational culture with talent retention strategies to back that up. Savvy leaders will recognize there are potentially significant costs that can be mitigated by adopting some or all of the suggestions above. Aren't your employees and your mission worth it?



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