

Stem the hemorrhage

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Your organization hemorrhages internally particularly when the people you wish to retain leave, and those you would rather lose, hang around.

Leaders who lack the flair for leadership can be deadly for any business particularly when it results in talented people leaving your organization just when they are most needed. Only effective leadership at all levels can stem such invisible losses.

It is ironic to see some senior managers in well-known companies who need to seek approval from head office for expenses exceeding PKR 5,000. Yet, the same managers can hire people, mismanage them and lose them, costing their company millions!

The main cause of high turnover in organizations is poor leadership. It is often the assumptions such leaders have about people that are at the heart of the problem. They think that people:

- i) Are only motivated by money.
- ii) Seek instant gratification.
- iii) Look for short-term gains.
- iv) Are calculating in their relationship with the employer.
- v) Cannot be trusted and therefore need to be monitored closely.

Such beliefs sap the very spirit of leadership, which is meant to be ennobling and inspiring.

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How can you ensure that leadership at all levels in your organization is maximizing human potential? You can start by observing whether your leaders in all functions and departments are:

1. creating a pleasant working environment where people respect each other and cooperate across functions to achieve common goals?
2. treating people fairly and impartially?

3. giving their teams legitimate challenges?
4. recognizing and rewarding genuine contributions by people to the corporate mission?
5. encouraging dissenting voices and listening to ideas, no matter how crazy they may sound at first?
6. coaching and mentoring by adapting their style to meet the development needs of the different people in their team

Failure to do any or all the above will signal trouble ahead.

Consider this: It costs around PKR 800,000 in head-hunters fee and other related expenses to hire a mid-level engineer, assuming the person is on gross salary of approximately PKR 2.8m pa. Add to this a full relocation package that would include moving of household items and vehicle/s. Now consider travel expenses including airfare, temporary housing, rental cars, and maybe thirty days of living expenses during the transition. By the time your new hire is fully settled and becomes productive, over a year has gone and your company has already invested almost PKR 5m. It will take another year for the envisaged returns on investment to kick in. But what usually happens is that such people often get frustrated in their job and end up leaving the company, just when it was time for the benefits to materialize.

Imagine the astronomical financial burden to companies that employ say

5,000+ people and suffer from a staff turnover of over 30%! Who is held accountable for such internal hemorrhage?

Effective leadership is the key to retaining good employees. Those who lack the intent and capability needed to lead only drive good people away. You cannot afford an unnecessarily high turnover over time. It is ridiculously expensive to keep hiring new people repeatedly and training them to be productive and successful in their job roles.

Of course, people leave companies for a variety of reasons. It could be retirement, dramatically better career prospects elsewhere, or change in family circumstances. Such attrition is only natural. However, people leaving on account of unfair treatment or for not getting opportunities for learning and growth, or for not being recognized and rewarded for their contributions, is a matter that cannot be ignored.

Managers who fail to provide leadership have a knack of finding a way to keep their jobs. They spend most of their time protecting their position instead of focusing on the professional needs of those who report to them. They often avoid developing their team members for fear of losing their own positions. A reason for this could be that they lack the necessary coaching skills and/or the desire to groom successors. Your organization cannot grow and compete if you and your leaders fail to delegate and empower people.

Managers must be held to account. This is tough, but necessary. Such managers are great at playing on your fears and habitually offer false assurances of future outcomes. You will often find them speaking the language you want to hear. They are skilled in 'personal survival' and brilliantly create smokescreens of efficiency around them.

Here are some red flags to look out for:

- a. The blame game. This allows attention to be diverted from them to others in their team in case of failure. It may seem to you that they are managing their people, but they are creating work imbalances within their team. This causes unnecessary overtime for some and underutilization of others.
- b. The 'telling' style. Such managers find it a waste of their time explaining the reasoning behind their decisions to their subordinates. They prefer to dictate rather than listen by adopting a consultative style when appropriate.
- c. Emotional instability. Personal and professional matters are mixed up. They usually bring their personal problems to work. Their inability to manage their emotions while trying to deal with people causes immense frustrations and resentments in the team.
- d. Urgency syndrome. Poor leaders are found jumping from one crisis to another. They fail to prioritize and fail to plan and give clear directions to their team. They are mostly reactive and leave important things pending till matters come to a head.

e. Fear of mistakes. A climate is created where making a mistake is unacceptable. Threats are commonplace. This slows down decision making severely and 'upward delegation' becomes a pattern. They fear being held accountable for wrong decisions, and this fear paralyzes their environment.

f. Public humiliation of employees/s. Such leaders fail to reprimand in private and praise in public, which dampens morale severely.

g. Exposing subordinates when they fail. They leave their people to fend for themselves when things go wrong. Espirit de corps is eroded.

h. Cultivating favorites. Such leaders reward 'yes' people. They encourage sycophancy and reward people who play to their tune. Dissent is shunned.

i. Chameleon like behavior. This is an indication of low self-confidence and deep-seated insecurities. They have doubts about their own ability to lead, and they will act subserviently in the presence of an authority figure. A confident and self-assured person acts consistently with everyone.

To create conditions in your company to attract and utilize the best people, you will need to attend to your 'garden'. While removing the 'weeds', keep in mind that as your 'garden' becomes better, it will require *ever more* maintenance! Leadership that works has never been easy.

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