ATTRITION RATE AS IT RELATES TO EMPLOYEE LOYALTY AND RETENTION

EXECUTIVE LEADERSHIP

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An applied research project submitted to the National Fire Academy
as part of the Executive Fire Officer Program

March 1999

ABSTRACT

When the rate of attrition impacts negatively on an organization's budget and on the experience base of the personnel, measures should be taken to solve the problem. The purpose of this research was to discover why personnel leave a career or organization early, which departments are so impacted and how executive leaders influenced employee loyalty and retention. An evaluative research method was used to answer the following questions:

1. What departments have an attrition or employee retention problem?

2. What are the causes of personnel leaving in early or mid career with a department?

3. What actions/programs result in employee loyalty?

4. What impact does the executive officer have on attrition and employee retention?

Two surveys were distributed, one nationwide to various department, the other to members of the El Paso Fire Department. Texas. These sought to ascertain how attrition affected departments and what measures were used by these departments and how the local firefighters evaluated the same questions within their department. An extensive literature review revealed what others think of employee loyalty and retention.

Many departments did not see attrition as a problem. Others admitted to having to deal with the negative effects of early career departures of employees. The cost of replacing these was revealed as high. The experience base was established as having paramount importance. The research revealed that internal communication was not as effective as some believed.

Recommendations included reviewing attrition rates and the possible causes which are normally under almost total control or the executive leader. Hiring processes had to be scrutinized and revamped. Employee job satisfaction had to be determined and programs established to motivate loyalty. Communication links had to be updated and opened to all. The executive had to assure employees felt a part of the organization through regular recognition of outstanding performances through a variety of programs.

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INTRODUCTION

The El Paso Fire Department (EPFD) experiences peaks and valleys in turnover and attrition as do other agencies nationwide. When the rates of these become a point of concern such that budgetary issues must include considering additional resources for recruiting and retention, an effort to reveal reasons for the trend is needed. Excessive premature quits implicates inadequate or incomplete organization socialization as a fundamental cause (Ham and Rodger, 1995). Allowing the tendency to continue could mean an ever increasing attrition of personnel along with its cost factors which include lack of experienced personnel at emergency scenes where lives can be save by recognizing when a situation is seriously deteriorating.

The purpose of this research was to discover reasons why personnel are leaving before becoming eligible for retirement as well as how the executive officer can and does influence retention and attrition rate within his or her department.

Evaluative research was used to investigate existing trends and proactive methods available to the executive to increase personnel loyalty and reduce attrition. Answers for the following questions were sought:

1. What departments have an attrition or employee retention problem?

2. What are the causes of personnel leaving in early or mid career with a department?

3. What actions/programs result in employee loyalty?

4. What impact does the executive officer have on attrition and employee retention?

BACKGROUND AND SIGNIFICANCE

During the past two or three years it seems that, on the El Paso Fire Department, some

firefighter submits a letter of resignation every week or so. Although normal retirement is still the

leading reason for leaving, more and more people are choosing to make their exit prior to fulfilling the

minimum requirements for conventional retirement. They do not stay until the age of retirement, 45-

years-of-age or serve for the minimum number of years, 20. Also, the number of veteran firefighters

who stay past minimum age and time is decreasing. The latter group, those who leave as soon as they

meet minimum requirements for retirement may be doing so due to the growing number of calls to which

responses are made and the greater variety of hazards

encountered.

EMS calls, where handling patients in varying settings and with numerous problems, dealing with

the many hazardous materials and their possible short and long term, harmful effects, as well as

continuing fire calls may make firefighters view this as a young person's job. The physical and mental

demands on the over forty population may be too much when compared to the compensation offered.

If the pension is available, why not take advantage of it?

Leaving the department before qualifying for retirement, in many cases after only few years of

service is due to a number of reasons according to surveys and a review of literature. The reasons for

leaving are as diverse as the firefighters themselves. Some firefighters use one department or fire service

agency as a stepping stone to a bigger, better one. Others learn, after a small number of years, that

other fields would be more challenging or more lucrative. Still others find plenty of opportunities for

growth and challenge within the fire service but the money is better in other areas of the state or the nation and they move on. If their career choice is a satisfying one, why not enjoy the job where the pay is better. Pay is not the only consideration driving firefighters away.

The answer to the following questions might reveal other reasons. Is the job satisfying? Is the individual challenged? Are opportunities for growth provided? Do family issues receive attention by the employer? Do other reasons exist for firefighters seeking employment elsewhere?

Whatever the impetus behind separation from a department, the result and the impact on the agency are the same. Recruiting activities may need more attention and will produce more strain on budgets. Service to the citizen/tax payer may suffer. Experienced personnel will be in shorter supply. Training and retraining of personnel will become a factor draining financial and personnel resources.

Some of these items, such as the value of experience at a fire scene, are intangible, thus unquantifiable. Still, for quick, correct, lifesaving actions experience can be irreplaceable and priceless.

Loyalty to a department has a variety of repercussions on a department not only in attrition. Some who stay may do so for convenience and not out of loyalty. "The difference between loyalty and lethargy is productivity" (Peak, 1996). Crews who do not feel loyal to the officers and chiefs who give the orders will perform only well enough to keep their jobs. This will be reflected in how the department is perceived by the public. As with most entities blame or credit will fall upon the leadership, the executive officer.

Aon Consulting has identified seventeen factors significantly related to work force commitment. Of these, five were listed as true drivers of retention:

1. A fearless culture.

2. Job satisfaction.

3. Opportunities for growth.

4. Organizational direction and mission.

5. Recognition of work/life balance needs(Stum)

In most organizations, the culture is derived from the executive officer. Organizational direction is set by the executive officer. Employee programs which emphasize life issues are seldom instituted without the executive officer. Job satisfaction and opportunities for growth are results of employers placing the right person in the right job and providing training and educational programs for expanding knowledge and skills. Who, if not the executive officer, makes final decisions on issues such as these?

In the Executive Fire Officers Program's Executive Leadership course, many aspects of the executive leader were studied and measured against an organization's challenge to meet the needs of the community it serves and those of the people who make up the organization. Although, at this high level of management many of the attributes of the executive leader are more abstract than tangible, the units in this course did include items that lend themselves to any discussion of employee retention.

Unit Four of the class, Managing Multiple Roles, helps direct the executive who must be the leader of his or her department, setting the example of customer service while maintaning a fiscal mentality to please the city fathers who usually have the authority to remove the chief. Unit Five, Developing Influence Skills, speaks of different avenues available in efforts to influence people. One result of proper influence would be retention of the more motivated and productive workers.

Fostering Creativity and Innovation, Unit Six, is emphasized throughout the discussions in the

literature review on attrition as a means of keeping the employee involved in the goals of the organization. Unit Seven, Assessing Organizational Culture, relates directly to determining if the atmosphere within the organization tends to cement or dissolve feelings of loyalty within the employees. Unit Nine, Labor Relation, depicts the executive leader as the main negotiator for the organization with the bargaining unit. Performance in this role is of paramount importance, especially when the rank and file must divide their loyalty between the executive leader and their union.

LITERATURE REVIEW

In emergency services, team stability and reliability in responders is essential to safely and efficiently mitigate the variety of dangerous situations faced daily. Turnover of personnel can definitely affect this although the effect may not be easily measurable. Many other consequences are tangible as noted by Peter W. Ham and Rodger W. Griffith it *Employee Turnover*.

The authors list separation costs, replacement costs and training costs that result when personnel separate.   The first include exit interviews, administrative costs in records adjustments, disbursement of unused vacations and more. The second item listed specifies advertisements, personnel recruitment, application processes, entrance examinations, interviews and so on. Number three above refers, among others, to concerns such as formal orientation, formal occupational training and on the job training to develop proficiency.

In the book *Recruitment, Retention and Employee Relations,* D. Keith Denton contends that the problem of turnover should be addressed pro-actively. One of the most effective ways of both recruiting and retaining employees is to be the employer of choice. Denton adds that employees can be attracted and retained by offering them career opportunities, job variety, responsibility, training and

giving them a sense of ownership.

David L. Stum writing for the magazine Human Resource Focus expounds on the sense of ownership when he speaks of a fearless culture and an organizational direction where employees can comment openly about the status quo, even challenge it without fear of retribution because they know where the organization is headed and how the employee fits in and contributes to the chosen strategy.

Some in personnel management resort to reward plans to promote retention of employees. The article, "Seven Dimensions of Successful Reward Plans," authors Jamie Hale and George Bailey (1998) explain that workers are willing to invest their intelligence, talent and creativity in support of the company strategy if they can expect a fair return. Many such programs are used throughout the nation by departments. Theses include "Firefighter of the year," "Outstanding firefighter award" and more. Hale and Bailey authors of the above-mentioned piece in Compensation and Benefits Review add that the greatest reward is the work itself. Hale and Bailey add, "At times a heartfelt 'thank you' may be much more appreciated than a cash reward . . ."

Any discussion of employee loyalty which, ideally, results in retention, must include the executive leadership's influence on the employees. In a 1993 study by Ethan Winning for his book "Labor Pains: Employer and Employee Rights and Obligations, 77 percent of 121 employees surveyed reported that their sense of loyalty to the job decreased over a five-year period (Selnow and Gilbert, 1997). Among reasons for this was that corporate leadership is undermining employee loyalty in a variety of ways. Sixty-three of 900 large and mid-sized companies surveyed used surveillance and monitoring procedures with and without the knowledge of the employees. (Selnow, 1997) This did not sit well with the higher caliber, productive worker who simply seeks to be the best he or she can be,

nor did it inspire the mediocre one to excel as this worker feared erring while under observation and avoided trying any innovative approaches. In the fire service one must ask, "In the use of the Incident Command System, how many chiefs constantly monitor incidents by radio in order to maintain control at the highest level? And, how does this affect the field commanders' performance and morale?"

Ideal for improving retention and reducing attrition is the aligning of the goals of the individual to those of the employer. Barbara M. McGuiness explains, in "the Change in Employee Loyalty," that today's younger generation places a higher value on personal achievement over corporate goals . . . they divert their loyalties inward. As already discussed, the important values do not, necessarily include pay as a high priority. Still, Aon Consulting Loyalty Institute's study on employee loyalty revealed that while 80% of the workers surveyed would recommend theirs as the best place to work, 40% of this same group would go elsewhere for a slight pay increase (McShulski, 1992).

Repeated throughout the literature review was the importance to the employee of family issues and how their employment allows them the deal with these. In a recent survey US West indicated that 80% of their employees dealt with family issues while on duty, 70% said that balancing home and work was stressful and one-third of all employees had taken a day off in the prior year due to some family concern. (McCormmick, 1992)

The answer to employee retention is simple, hire wisely, train well and, what is most important, value the employee and let them know it (Franklin, 1997).   The executive leadership can demonstrate the value of the employee to the organization by setting high expectations, communicating constantly, empowering, investing in employees' financial security, giving recognition as often as possible,

counseling people in their careers and educating them (Brewer, 1995).

PROCEDURES

As the topic of this paper evolved and was chosen for applied research, a troublesome question was determining at what point the rate of attrition became problematic for a fire department or any organization. A number of sources for information were drawn upon. The Learning Resource Center at the National Fire Academy provided magazine articles and Executive Fire Officers Program (EFOP) papers which address various aspects of this issue. The library at the University of Texas of El Paso (UTEP) was another major source for the writings of many human resource specialists who explored the myriad facets of employee loyalty in a large variety of organizations ranging from professional nursing to the highly turnover proned fast food trade.

This literature review revealed reasons why some workers chose to leave employment as well as conditions of employment that attracted them and inspired loyalty. A number of these conditions were used to develop two surveys.

One survey was used to ascertain how the fire service fared in employee loyalty, The instrument sought to determine whether different departments had the attributes identified (See Appendix A). One hundred six copies of the survey were sent out nationwide to departments of all sizes. Participants for this survey were chief officers listed on rosters for EFOP classes the author attended. Volunteer and paid departments alike were surveyed. Sixty-nine of these were filled out and returned. Tabulations of the answers were made for the entire group as well as separately for departments with more than three hundred employees, those with one hundred to three hundred firefighters and departments whose personnel numbered less than one hundred. Trends discovered and conclusions drawn are discussed in

preceding sections.

The second survey, which sought much of the same information but on an individual basis, was distributed to firefighters currently serving on the El Paso Fire Department (EPFD) (See Appendix B). The purpose of this survey was to compare the loyalty factors identified as important for retention of good employees to current employees' perception of the existence, within the department, of the positive attributes mentioned.

The author delivered one hundred thirty-two copies of this survey throughout the department. All were filled and returned. Answers were tabulated for all questions for the entire group, for chief officers only, for company officers only and for crew members only. The results were compared and are revealed in the following sections.

Assumptions and Limitations

The surveys sent to departments throughout the nation were addressed, for the most part, to the chief of the department. Upon reviewing the responses to this survey and those of the survey distributed to EPFD personnel, an obvious difference in the number of negative answers was noted.

The local survey respondents included personnel from the Deputy Chief, third in command, down to the firefighter, last in the chain of command. One must wonder if the chiefs of departments in the first survey would be as inclined to respond negatively about an organization they run when compared to the personnel who comprise the rank and file?

RESULTS

During the preparation of this report, the author, in his role as Deputy Chief in charge of B-shift, had to deal with separation from the service of three B-shift firefighters with less than ten years on the

job. This short tenure means that the personnel did not qualify for any of the pension options, and still they left. The answers to the research questions may shed some light on the reasons for departure of these and other fire service workers so early in their careers.

What departments have an attrition or employee retention problem?

Question four of the national survey asks this question specifically (See Appendix A). The responses were tabulated separately according to department sizes in an attempt to ascertain if the problem was more or less prevalent relative to size. The categories were departments with more than 300 firefighters, those with 100 to 300 and departments with less than 100 employees.

Forty percent of the respondents from large departments said that it was "somewhat true" that attrition is a problem in their department. This represents the answer choice most selected by this group. Of the medium size departments, 38 percent of the respondents also selected answer choice "C" for the same questions. For this group also, more of the respondents selected this answer than any other. Only the group of departments with 100 or fewer firefighters responded more in disagreement with the statement. Twenty-six percent marked "False" on this survey item. The trend appears to be that the smaller departments experience less attrition than the bigger ones. Although this survey results do not indicate a major problem of attrition, it did not negate the need for further investigation through the survey items. Many businesses do not measure their retention rates, and that is irresponsible, so states Frederic Reichheld, a director of Bain and Company and author of "The Loyalty Effect" published by the Harvard Press in 1996 (Peak, 1996).

Many costs are related to employees departing any organization. Among these are exit interviews, administrative costs, unused vacation time, lost client revenues, temporary employment to

replace the leaver and others. Replacement costs have also been identified, such as advertisements for

vacancies, personal recruitment, the application process, entrance interviews, application selection and

more. Finally, the costs for training new personnel must be considered. A list of these costs would

include, among others, formal orientation, formal job training, offsite training, on the job training to

develop proficiency and informal instruction by superiors (Ham and Griffith, 1995).

Item five of the national survey addressed the issue of the costs of attrition to fire departments

(See Appendix A). The large departments chose answers "B" and "E" in equal numbers, 29 percent of

the time in each case, indicating that, in their departments, concerns over attrition manifests themselves in

"increased overtime" and "a lack of experienced personnel."

The latter reason cited above is hard to quantify, but experience saves one life it is more

valuable than any other reason. In a report of a stubborn kitchen fire, an experienced fire officer

ordered his crew to withdraw because the officer felt something was odd about the fire. Soon after

gaining the crew returned to the street the living room floor, from which they had been

fighthing the kitchen fire, collapsed. A full basement below had beed totally involved in fire. While the

officer credited his extra sensory perception for having made the decision to retreat, psychologist Gary

Klein, who has collected stories of decision-making experise, believes the officer's decision stemmed

from actual fire-fighting experience (Bower, 1996)

Item 10 of the survey asked respondents what it cost to replace a departing firefighter from

recruiting to assignment to a fire company. The lowest number quoted by a department was $500. The

highest cost for replacing a departing firefighter was $100,000. Of the forty-nine respondents, who

reported a cost, the average was $16,146. One large department (thirty-three hundred employees)

reported an average of ten firefighters a year resigning before qualifying for normal retirement. This

same department reported that their cost for replacing a firefighter is $50,000, or a total of half a million

dollars of the budget per year. The author's department, with 720 employees, experiences the same

number of early separations in a year. The cost to replace a firefighter on the EPFD is $65,000.

Intangible costs also must be considered even if not easily quantifiable. This would include the

time needed to prepare a new hire to take a position on a company. Responses to question nine of the

national survey listed as little four weeks and as long as two years to train a firefighter. The average was

twenty-three and five tenths weeks.

Additionally, who can put a price on experience at a stressful emergency scene. Service firms

recognize that delivery of services and loyalty of customers (citizens) may be jeopardized by employee

turnover (Ham and Griffith, 1995).

What are some reasons personnel leave fire departments early or in mid career?

Both surveys used in this report, sought to determine the reasons for attrition that affects

some departments negatively. In the national survey respondents were asked to rate given reasons for

the attrition in their department. The survey taken within the author's department gave choices for

which individual firefighters would leave the department. After calculating responses and speculation on

trends revealed by the results of these survey, one fact was too obvious to ignore. Personnel who left

were not motivated to stay.

Turnover has become a popular criterion to validate (and extend) general theories. Motivational

theories submit that job characteristics, organizational demography, leader-member exchange, role

motivation of managers real effectiveness and person-culture fit may influence employees to leave an

organization (Ham and Griffith, 1995).

Under job characteristics one would find pay as a highly rated item for priority in the motivational scheme. The Employee Loyalty in America study, conducted by Aon Consulting Loyalty Institute, discovered that while 80 percent of workers surveyed would recommend their company as the best, 40 percent of this same group stated they would go elsewhere for a slight increase in pay (McShulski, 1992). The same study showed that 50 percent of the respondents would check out other opportunities for a 20 percent pay increase.

Medium and small department respondents to item 17 of the national survey indicated that personnel in their department did leave for better pay in some cases. Twenty-eight percent of these respondents marked inadequate pay as the reason for leaving. When looked at the answers choices for all respondents, pay drops to 10 percent as the reason why people leave departments. The survey of current EPFD firefighters had higher numbers who indicated that they would leave the department for more pay (See Appendix B). Again pay was not the major reason listed. Only 20 percent of the respondents were of this opinion. The average pay increase noted by these employees as the least amount for which they would consider leaving the job was 20 percent.

Although pay is a motivator for employee loyalty, it may be more of a practical consideration related to life style choices than to opting whether or not to remain with a particular organization.

Any study of why employees leave a job of their own volition must concede that real reasons may not be reported. Organizational records of employees leaving may be biased, for example, classifying a departure as voluntary to protect leavers reputation or as a layoff to allow persons to qualify for unemployment insurance (Ham Griffith, 1995).

Would an employee boldly report that he was leaving an organization because of the firm's failure to satisfy him as a worker? Future employers might be reluctant to hire this person because of concern that satisfaction on the job could be too specific to this one person. If the employer failed to satisfy the worker what kind of performance could be expected? For twenty-five years, job satisfaction has been recognized as strongly related to quality, morale and productivity as it is to commitment (Stum, 1998). Employees who feel they don't count within the organization, encounter barriers to their contributing, are not challenged to produce and feel no freedom to succeed but only permission to follow policy may find little satisfaction in the job they perform.

Helping to promote employee satisfaction and a great way to keep good people is to do whatever can be done to help them grow within the organization (Brewer, 1995). Data indicates that many managers who left their employers in 1989 recognized that better career opportunities were available outside their industry (Selnow and Gilbert, 1997). Career development is second only to job security in helping to foster commitment (McGuiness, 1998). Item 21 of the national survey addresses this issue. Thirty-one percent of respondents related that their departments do not pro-actively promote personal growth. Within the author's department, the survey demonstrated that 30 percent of firefighters filling out the survey did not believe that opportunities for growth were provided within the job environment. The national survey in Appendix A, shows that, approximately 48 percent of the departments represented, indicated as false the statement saying that their department promotes job satisfaction by making sure people are placed in the right job, with the right orientation, training, tools and resources. The local firefighter survey indicated most respondents find their job satisfying (See Appendix B)

To determine if satisfaction was related to tenure, numbers were developed for answers according to time in service and rank held within the department. The first divisions included chief officers, company officers and crews (drivers and firefighters). The figures derived remained fairly consistent with those calculated for all respondents. One hundred percent of chief officers reported job satisfaction, 96 percent of company officers found their job satisfying while 92 percent of crew members agreed with other personnel groups. When divided by years in service, the change in percentages was negligible.

Personnel will leave an organization if they do not feel they work within a fearless culture. The employee defines "fearless culture" as being able to speak up and even against the status quo without fear of reprisals. People must believe that when they come up with good ideas the boss will evaluate them correctly and that any short coming will also be revealed and explained for corrections (Selnow and Gilbert, 1997). They rate this aspect of their employment as more important than money (Stum,1998). The national survey revealed that most departments strive to maintain a fearless culture, even so, 39 percent of the answer choices for this item were on the negative side. Fifty-eight percent of the EPFD respondents stated that they disagree they work in a "fearless culture."

Ignorance of the organizational direction also results in employee departures. Employees are fed up of being kept in the dark or lied to by management (Brewer, 1995). Some management styles rely on "need to know" basis for keeping the lowest ranking personnel informed. These employees may be at the bottom of the totem pole, but if the bottom crumbles, it all comes down (Wood, 1996). Item 22 of the national survey found 33 percent of the respondents saying that their department did not

assure that all personnel were made aware of the organizational direction expressing mission, vision, strategies and goals. In the local survey, current EPFD personnel surveyed were split evenly at 50 percent agreeing and 50 percent disagreeing on this point. When studied in separate sets of chief officers, company officers and crew members respectively, chief officers most often disagreed with the survey statement, at 58 percent of twelve chiefs responding.

Also identified as a major reason why employees look elsewhere for employment is an organization's failure to prioritize life needs of the employee as these are impacted by work hours, stresses and other demands. A recent survey by U. S. West indicated that 80 percent of the company's employees have dealt with family issues during work hours. A full third of employees took a day off due to family concerns Seventy percent said that balancing work and family was stressful (McCormick, 1992). Aon Consulting's three-year study indicated lagging commitment is a function of increased stress, work/life influence and favorable employment conditions (Stum, 1998).

Twenty-three percent the surveyed departments elected negative responses for item 23 which stated that their department recognized personnel's work/life needs by pro-actively demonstrating consideration of work demands as these relate to personal need issues. The individual firefighters who responded to the survey within the EFPD were 31percent in disagreement with the statement about life/work needs in item nine (See Appendix B).

What actions/programs result in employee loyalty? What impact does the executive officer have on attrition and employee retention?

These two questions were combined because most administrative actions specifically proposed or adopted to address any issue within an organization will be evaluated by the chief executive officer

for approval. Furthermore, most actions taken by the chief executive officer (CEO) will impact the organization's many facets, including, to varying degrees, the loyalty of the rank and file.

As already stated in this report, one of the most important keys to employee retention and loyalty is to recruit and hire people that fit the organization.   To insure a more stable, satisfied workforce, employers typically screen out job applicants in whom they evince job instability popularly known as the hobo syndrome (Ham and Griffith, 1995). The executive officer assures that the recruiting process used by his department or a separate Personnel or Human Resources Department avail themselves of all avenues existing to find good employees (Denton, 1992).   One such tool is the Realistic Job Preview (RJP) which shows to those interseted in joining the organization both positive and negative features of the new job thus improving the fit between the person and the job through self selection (Ham and Griffith,1995). The prospective employees, by studying the RJP booklet, can decide whether or not the job satisfies their personal needs.

The interviewer, a critical part of the recruiting process, is one of the first company individuals who make contact with the prospective employee. To find the best candidates in disciplines needed, interviewers must be able to develop better skills for identifying the best.   One technique recommended is the behavioral interview, developed by psychologist Paul Green. This method is based on the assumption that past behavior is the best indicator of future behavior.   (Denton, 1992).   This effort to match recruits and company is more likely to result in better retention and can be promoted by the executive who has a say in who will do the interviewing.

Federal Express leadership has introduced a peer recruit program to help the professional recruiter screen and recruit applicants by educating them with more realistic insight about what is

expected of them and their position (Denton, 1992). With this, the organization is demonstrating that the employees' concerns and commitment are important. In the new employment contract rather than loyalty and security, the new employee focuses on mutual commitment (McGuiness, 1998).

Once the best people for the job have been hired, the challenge becomes one of retention. Numerous issues have been identified which result in loyalty and commitment of employees.

Although salary was not the primary concern of people considering whether or not to stay with an organization, it is one of the easiest costs to measure, thus it is studied first.

Employees are not just a cost of doing business. They represent "human capital," the only unlimited and self renewing resource a company has. This assumes workers are willing to invest their intelligence, talent, and creativity in support of the company strategy. They will if they can expect a fair return (Hale and Bailey, 1998).

In many fire departments pay scales are set through collective bargaining contracts with organized labor giving the executive limited direct influence on pay. The chief is allowed so much of a budget by city administrations to run the department. Salaries are included in this. These salaries represent traditional merit pay increases which many new hires view as entitlement. The executive officer could institute some reward programs that motivate those behaviors and acknowledges those accomplishments that advance the organization toward specific goals (Hale and Bailey, 1998). Any such program should be constructed such that it is perceived less as a mechanism of delivering money than as a way to engage people in the overall department strategy and provide a consistent direction that produces value for everyone.

The El Paso Fire Department, under the larger umbrella of the city government, has a program

which doles out monetary rewards for employee suggestions that result in cost savings or revenue producing additions or adaptations to daily operations.

An interesting and effective awards and recognition policy in a McDonald's Restaurant chain in Georgia is the Golden Whistle Award. This consists of a plaque with a whistle given by a newly promoted store manager to the existing manager who the new one feels has most helped and influenced his rise in the company (Wood, 1996). This recognizes the achievement of one employee and the mentoring effect of the other.

Seven principles that support the reward strategy connection resulting in organizations increasing the return on their investments in human capital and fostering employee loyalty are 1) pay for performance, 2) linkage to other organizational change levers, 3) measurable competencies, 4) incentives matched to organizational culture 5) clear and simple group incentives, 6) widespread communication and 7) recognition for the work itself (Hale and Bailey, 1998).

A fearless culture was ranked more important than money in the Aon Consulting survey cited above. To address this and remove its negative impact on attrition, the executive must be willing to assess the leadership's willingness and ability to encourage open, honest and confrontational communication (Stum, 1998). Seventy percent of employers surveyed say they do at least a fair job in communicating organizational strategies to employees. A Work USA study discovered only 38 percent of employees agreeing that the information needed to accomplish their work is widely shared (Hale and Bailey, 1998). The same research relates this wide difference of opinion to the direction of the communication. Downward seems to be very effective with 83 percent of employees understanding

organizational values and goals. Survey respondents indicated that only 36 percent of employers do a good job in soliciting workers opinions and only 29 percent act on opinions and suggestions when they are sought (Hale and Bailey, 1998).

Executives who try to create strong internal communication programs must overcome the competition for everyone's time and resources (Sonnenberg, 1992). Open door policies mean that any and all employees can walk in the door. Still the executive must commit to ongoing communication on three levels, between the leadership and its employees, between supervisors and their reports and among colleagues. This allows for lateral and diagonal flow of information breaking down compartmentalization of knowledge. The bimonthly newsletter is now as outdated as the adding machine. Where this provided infrequent flow of information, it must now become constant (Sonnenberg, 1992).

Apart from communicating the mission, vision, strategies and goals to the employees it is highly important that managers give plenty of credit, giving it downward and reporting it upward. Legendary football coach Bear Bryant of Alabama put this way, "If anything goes bad, then I did it. If anything goes semi-good, then we did it. If anything goes really good, then you did it (Senlow and Gilbert, 1997)

Important to workers deciding whether to make a long term commitment to a place of work is the employer's concern for the employee's family and life needs in general. The executive leader must carefully study what the organization could do to show support for these issues. Programs, such as, Employee Assistance should fit a life stage need for a number of workers and are consistent with an overall culture that values work/life balance (Stum, 1998).

Studies have shown that married workers are more loyal than divorced or single employees, older workers are more loyal than younger ones, and education level had no significant import on loyalty (McShulski, 1992). The executive leader should know the demographics of his or her department and adopt corresponding programs.

For example the concept of flexible hours would be attractive to employees with young children who required their attention for a variety of activities. From a company prospective, allowing employees to work more flexible hours is a powerful way to attract and retain top caliber people (Denton, 1992).

DISCUSSION

A high employee turn over rate, performance problems rooted in low employee morale, and continuing loss of a "corporate memory" of community needs and expectations all conspire to make it difficult for the agency to fulfill its mission (Marler, 1995) In his report to the National Fire Academy, Assistant Chief Marler, of Sonoma, California, discusses what may be the future of other organizations if the question of attrition is not addressed and managed before it becomes a problem. Many of the departments who responded to the surveys herein indicated that they had no such problem while others conceded concern about the issue. In evaluating the cost of replacing a departing firefighter both monetarily and in time and the intangible value of experience, the surveys and literature revealed this as a major item in most departments' budgets.

Most organizations realize that proactive approaches are essential and make common sense if they are to guarantee a continuing supply of the most important resource of any profession, its personnel. One such approach is the reward plan. Effective reward plans go beyond pay. They

communicate important organizational objectives, provide recognition when deserved, offer career

development and provide challenging opportunities. They better position the employer to build and

strengthen employee loyalty (Hale and Bailey, 1998).

The survey of current firefighters as well as of diverse departments showed that pay was a

consideration in remaining with a department but not the highest priority. Job satisfaction played a more

important part in employee loyalty as did know the organization's mission and vision. Research showed

that employers do less adequate a job than is believed in keeping the workers informed about where the

organization is headed and how it plans to get there. Communication is not as well established as it can

be. It is still evolving in many agencies. Internal communications typically go through six phases 1)

Orders are given and obeyed with no opportunity to provide input. 2) Instructions are communicated

and feedback is possible through formal means and selected channels. 3) Listening becomes valued and

mechanisms for doing so are created. 4) Some channels and means of communication internally and

listening to employees are set up and evaluated. 5) A system is set up to sense when employees' need

for information is not met. 6) Control of communication is abandoned, and communication is

continuous, the responsibility not of any single individual but of everyone (Solomon, 1992).   If

developed fully, this last would result in a "fearless culture," another very important item for workers

contemplating extending or ending tenure with a specific organization.

Attrition is more negative a notion when the people who are leaving are the better workers.

These are the people all organizations want to keep and are ready to adapt internal policy in order to

keep. Agencies know that the higher caliber employees respond well to expectations set high enough to

challenge them, to constant communication, to being empowered, to investing in employees financial

security, to recognition as often as possible, to counseling about career opportunities and to possibilities

to continue their education (Brewer, 1995).

Much can be done to increase employee loyalty with the resulting better retention of priced

workers once organizations accept that they should investigate this aspect of doing business, providing a

service or producing a product.

RECOMMENDATIONS

Once organizations accept that evaluating the rate of attrition must become a matter of policy it

can take steps to promote employee loyalty and prevent the loss of experienced personnel as well as

the increased cost of replacing personnel who leave early in their career in pursuit of greener pastures.

The recruiting and hiring process must be evaluated and adapted to find the best candidates.

These should be enlightened immediately about the positives and negatives of any occupation so they

can self select and eventually fit better into the position sought.

Pay should be in line with the performance required. A reward program can be an additional

method to recognize outstanding workers and motivate loyalty by aligning individual goals to those of the

organization. These programs should include constant and consistent recognition of workers who

perform above and beyond the everyday expectations.

These goals and missions must be communicated to all personnel to make them partners and

inculcate a desire to progress with the agency. Newer forms must be used such as is already being

done by many fire departments who have established web pages on the Internet, updating these

consistently so all interested personnel stays informed consistently. Also, regular informal meetings gives

the opportunity to help employees feel that they belong to the company and the company belongs to

them (Franklin, 1997). To determine how well an organization is accomplishing this, fifty workers should be asked the following questions: What is our mission? What factors are important to our future? How does one get ahead here? What are our major initiatives this year? How will our industry change over the next five years? How will we respond to these changes (Sonnenburg, 1992)?

The workforce should also find satisfaction in their job, feeling important and challenged and allowed to participate and contribute intellectual as well as physical attributes they bring with them. Assure that people can speak their mind even when their ideas may be contrary to existing policy. No one should be afraid to make suggestions for change or improvement of operations be these in the field or administrative. Empower the employee.

Allow them to grow within the organization by providing opportunities for learning through formal education sources, conferences, networking and mentoring programs.

The department, the organization, the agency is only as good as the people it is successful in retaining to provide stability and effectiveness.

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Appendix A

Executive Leadership Attrition Survey

1. The total number of people on your department is _____.

2. Your department consists of _____ personnel assigned to suppression/operations.

3. Your department consists of _____ personnel assigned to administration/staff.

4. Attrition is problem in your department. (Circle one.)

   A. Very true B. True   C. Somewhat true   D. Somewhat false   E. False   F. Very false

5. The attrition problem in your department manifests itself in: (Circle one.)

   A. Staffing problems   B. Increased overtime   C. Reduced services   D. Increased
      recruiting/training costs   E. Lack of experienced personnel   F. Other (Specify)

6. How many personnel in your department retire in a year?

7. How many of your personnel resign before qualifying for retirement in a year?

8. Of your current personnel, how many have stayed past minimum retirement time and age?

9. How long does it take to train a replacement firefighter to meet minimum requirements for

your department?

10. What is the cost, from recruiting to assignment to a fire company, of replacing a firefighter
    who has separated?

11. What is the average time in rank of your:

    Chief officers

    Company officers

    Engineer/drivers

    Firefighters

12. Your most senior chief officer has _____ years in rank.

13. Your most senior company officer has _____ years in rank.

14. Your most senior engineer/driver has _____ years in rank.

15. Your most senior firefighter has _____ years in rank.

16. Do you have a proactive program to assure retention of firefighters?

17. Your personnel leave the department for the following reasons in the approximate percentages noted
.

    %Better pay _____ %Better benefits _____ %Better promotional opportunities

    %Change career _____ %Normal retirement

18. Does your recruiting process include psychological evaluations?

RATE YOUR AGREEMENT OR DISAGREEMENT WITH THE NEXT SIX STATEMENTS BY CIRCLING THE NUMBER CLOSEST TO YOUR OPINION.

1 Very true   2 True   3 Somewhat true   4 Somewhat false   5 False   6 Very false

19. Your department promotes a "fearless culture" (All personnel feel free to speak and against the status quo without fear of retribution.)

      1   2   3   4   5   6

20. Your department promotes job satisfaction by making sure people are placed in the right job, with the right orientation, training, tools and resources.

      1   2   3   4   5   6

21. Your department promotes personal growth by ensuring job sharing, task forces, conferences and expanded responsibilities.

      1   2   3   4   5   6

22. Your department consistently assures that all personnel are aware of the organizational direction expressing mission, vision, strategies and goals.

        1   2   3   4   5   6

23. Your department recognizes personnel's work/life needs by pro-actively demonstrating consideration of work demands as they relate to personnel need issues.

        1   2   3   4   5   6

24. Your department's executive leadership maintains an open door policy and obvious close contact with all personnel.

        1   2   3   4   5   6

Appendix A (Responses)

Executive Leadership Attrition Survey

1. The total number of people on your department is _from 50 to 3300_ .

2. Your department consists of _10 to 20%_ personnel assigned to suppression/operations.

3. Your department consists of _80 to 90%_ personnel assigned to administration/staff.

4. Attrition is problem in your department. *Number in italics is times the answer was chosen.*

   4 Very true *10* True *15* Somewhat true *11* Somewhat false *16* False *8* Very false

5. The attrition problem in your department manifests itself in: (*See #4 above*)

   22 Staffing problems *24* Increased overtime *4* Reduced services *27* Increased recruiting/training costs *24* Lack of experienced personnel *0* Other (Specify)

6. How many personnel in your department retire in a year? *6.5 average*

7. How many of your personnel resign before qualifying for retirement in a year? *1.8 average*

8. Of your current personnel, how many have stayed past minimum retirement time and age? *15 avg.*

9. How long does it take to train a replacement firefighter to meet minimum requirements for your department? *23.5 weeks average*

10. What is the cost, from recruiting to assignment to a fire company, of replacing a firefighter who has separated? *Lowest reported $300, highest $70,000*

11. What is the average time in rank of your:

    Chief officers *9.6 yrs.*   *All respondents for all ranks*

    Company officers *12.5 yrs.*

    Engineer/drivers *9 yrs.*

    Firefighters *7.6 yrs*

12. Your most senior chief officer has *11* years in rank.

13. Your most senior company officer has *12* years in rank.

14. Your most senior engineer/driver has *12* years in rank.

15. Your most senior firefighter has *16* years in rank.

16. Do you have a proactive program to assure retention of firefighters? *85% no, 15% yes*

17. Your personnel leave the department for the following reasons in the approximate percentages noted
.

    %Better pay *21.3* %Better benefits *8.6* %Better promotional opportunities *16*

    %Change career *12* %Normal retirement *46.6*

18. Does your recruiting process include psychological evaluations?

RATE YOUR AGREEMENT OR DISAGREEMENT WITH THE NEXT SIX STATEMENTS BY CIRCLING THE NUMBER CLOSEST TO YOUR OPINION.

1 Very true   2 True   3 Somewhat true   4 Somewhat false   5 False   6 Very false

19. Your department promotes a "fearless culture" (All personnel feel free to speak and against the status quo without fear of retribution.) *Number is actual times rating was chosen.*

    5   *22*   *20*   *9*   *8*   *3*

20. Your department promotes job satisfaction by making sure people are placed in the right job, with the right orientation, training, tools and resources.

4	*20*	*25*	*9*	*4*	*2*

21. Your department promotes personal growth by ensuring job sharing, task forces, conferences and expanded responsibilities.

6	*36*	*18*	*8*	*6*	*0*

22. Your department consistently assures that all personnel are aware of the organizational direction expressing mission, vision, strategies and goals.

5	*30*	*30*	*11*	*7*	*1*

23. Your department recognizes personnel's work/life needs by pro-actively demonstrating consideration of work demands as they relate to personnel need issues.

5	*21*	*22*	*7*	*8*	*1*

24. Your department's executive leadership maintains an open door policy and obvious close contact with all personnel.

18	*22*	*16*	*7*	*6*	*1*

Appendix B

Survey of Current El Paso Fire Department Firefighters

1. I have served _____ years as a firefighter.

2. My rank is _____ .

3. I would separate from the fire service due to (circle one)

   A. Normal retirement   B. Career change (leave fire service)   C. Better pay in a similar

   department   D. Better benefits in a similar department   E. Promotional opportunity

   in a similar department   F. Go to a bigger department G. Personal Reasons

4. If I leave for more pay the increase should be at least _____ per
   year
.

**RATE YOUR AGREEMENT OR DISAGREEMENT WITH THE NEXT 6
   STATEMENTS BY CIRCLING THE NUMBER CLOSEST TO YOUR OPINION:**

1 Totally agree **2** Somewhat agree **3** No opinion **4** Somewhat disagree **5** Totally disagree

5. I find my job satisfying.

   1   **2**   **3**   **4**   **5**

6. I find the department has a "fearless culture" (Being able to speak up and speak against the
   status quo without fear of retribution.")

   1   **2**   **3**   **4**   **5**

7. I am provided opportunities for personal growth within the job environment (Job sharing,
   task forces, conferences and expanded responsibilities.)

   1   **2**   **3**   **4**   **5**

8. I am consistently aware of the department's organizational direction (Knowing the mission, vision, strategies and goals.)

1   **2**   **3**   **4**   **5**

9. The department recognizes my work/life balance needs (Seeks to consider the demands of work with the need to deal with personal and family issues.)

1   **2**   **3**   **4**   **5**

10. Pay for the job I do is adequate.

1   **2**   **3**   **4**   **5**

Appendix B (Responses)

Survey of El Paso Fire Department Firefighters

1. I have served _from 6 months to 40 years_ years as a firefighter.

2. My rank is _from firefighter to deputy chief_ .

3. I would separate from the fire service due to (*Number is times answer was picked*)

    81 Normal retirement   *18* Career change (leave fire service)   *34* Better pay in a similar

  department   *17* Better benefits in a similar department   *8* Promotional opportunity

in a similar department   *5* Go to a bigger department *18* Personal Reasons

4. If I leave for more pay the increase should be at least _20 %_ per year.
.

RATE YOUR AGREEMENT OR DISAGREEMENT WITH THE NEXT 6 STATEMENTS BY CIRCLING THE NUMBER CLOSEST TO YOUR OPINION:

1 Totally agree **2** Somewhat agree **3** No opinion **4** Somewhat disagree **5** Totally disagree

5. I find my job satisfying. *(Number is times answer was chosen)*

      78   *51*   *2*   *1*   *1*

6. I find the department has a "fearless culture" (Being able to speak up and speak against the status quo without fear of retribution.")

      14   *32*   *15*   *45*   *20*

7. I am provided opportunities for personal growth within the job environment (Job sharing, task forces, conferences and expanded responsibilities.)

      30   *58*   *16*   *35*   *3*

8. I am consistently aware of the department's organizational direction (Knowing the mission, vision, strategies and goals.)

      17   *44*   *15*   *36*   *14*

9. The department recognizes my work/life balance needs (Seeks to consider the demands of
    work with the need to deal with personal and family issues.)

    17   *57*   *16*   *34*   *10*

10. Pay for the job I do is adequate.

    17   *44*   *11*   **42**   *20*