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Network Paper

In brief

• Staff turnover has become a major concern for humanitarian agencies. Unplanned staff turnover is problematic and expensive, affecting not only learning and efficiency, but also the capacity of agencies to respond to new emergencies, or even sometimes just to continue existing programmes.

• While much discussed, no one has attempted an in-depth study offering a detailed consideration of the causes and consequences of staff turnover in the humanitarian sector. This paper aims to fill this gap by providing support and ideas for further action. It discusses the causes of staff turnover, outlines the key elements of a strategy to retain staff and describes what agencies can do to manage the consequences of staff turnover.

• A number of factors influence staff turnover. Some are outside of agencies' control. However, this paper argues that agencies should accept that they have a responsibility for the current situation, and could do a lot more to improve it. Addressing the issue will mean an acknowledgement of problems by senior management, and a commitment to invest time, support and funding in understanding the causes, developing solutions and implementing them.

About HPN

The Humanitarian Practice Network at the Overseas Development Institute is an independent forum where field workers, managers and policymakers in the humanitarian sector share information, analysis and experience. *The views and opinions expressed in HPN's publications do not necessarily state or reflect those of the Humanitarian Policy Group or the Overseas Development Institute.*

Understanding and addressing staff turnover in humanitarian agencies

Commissioned and published by the Humanitarian Practice Network at ODI

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Chapter 1
Introduction

Over the past ten years, staff turnover has become a major concern for humanitarian agencies. It has sometimes been presented as a reality humanitarian agencies have to live with, but it has also been blamed for reducing the effectiveness of programmes as a result of discontinuity in staffing and loss of institutional memory. Yet, while much discussed, no one has attempted an in-depth study offering a detailed consideration of the causes and consequences of staff turnover in the humanitarian sector.

This paper aims to fill this gap by providing guidance and ideas for further action at agency and sector level. It is based on research by People In Aid and the Emergency Capacity Building Project,[1] and over 200 interviews with aid workers, humanitarian organisations, think-tanks and donor agencies.[2] During this work, we found that most humanitarian agencies welcome a degree of staff turnover: it offers them more flexibility in relocating staff, brings in fresh analysis and can be used as an opportunity to develop staff through a series of more challenging assignments. However, there is also a consensus that unplanned staff turnover is problematic and expensive, affecting not only learning and efficiency, but also the capacity of agencies to respond to new emergencies, or even sometimes just to continue existing programmes.

In many respects, 'staff turnover' has become a generic term, but typically it can be taken to refer to two different issues. Traditionally, it relates to the proportion of staff leaving in a given time period, but prior to the anticipated end of their contract. It is also used to describe 'staff rotation' where staff move from one contract or assignment to another, whether on an open-ended or a fixed-term contract.

In explaining excessive staff turnover, some have pointed to donors' insistence on low overheads, encouraging the use of short-term contracts through short funding cycles and discouraging staff development. Others appear resigned to the problem, seeing it as the result of factors outside of their control. There may be some truth in these positions. However, this paper argues that agencies should acknowledge that they have a responsibility for the current situation, and could do a lot more to improve it. For most agencies, the precursor to action is a realisation that the benefits of trying outweigh the costs of doing nothing. One of the first steps is to start consistently tracking key human resource (HR) indicators so that decisions and their outcomes can be based on, and evaluated against, evidence. Reflecting on initiatives in surveyed agencies, it is clear that success in addressing the issue is to a large extent based on an acknowledgement of problems by senior

An ICRC convoy in the West Bank, one of the world's many difficult aid environments

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management, and a commitment to invest time, support and funding in understanding the causes, developing solutions and implementing them.

Let us be clear at the outset: there is no 'magic bullet' that will prevent or eliminate staff turnover. The best way to address it is through a coherent HR management system. But no matter how effective an agency is at reducing unwanted turnover, a certain level is inevitable and can be healthy – as long as mechanisms are in place to ensure that learning continues to take place within the organisation, and lessons are shared and used as a basis for continuous change and improvement.

Defining 'staff turnover'

The commonly used formula to calculate a crude turnover rate for any given period is:

$$\frac{\text{Total number of leavers over period}}{\text{Average number of staff employed over period}} \times 100$$

The resulting figure encompasses all leavers, including people who left due to dismissal, redundancy or retirement, but it typically excludes those leaving at the end of a fixed-term contract. This means that, although it is helpful for benchmarking purposes, it is of little practical use in identifying precisely problems within an organisation.[3] To do that, we need to focus on the part of turnover that is of real concern to an organisation by differentiating between voluntary and involuntary turnover. In other words, did the employee choose to leave the job, or was the decision made by the employer? In turn,

Figure 1

Understanding staff turnover
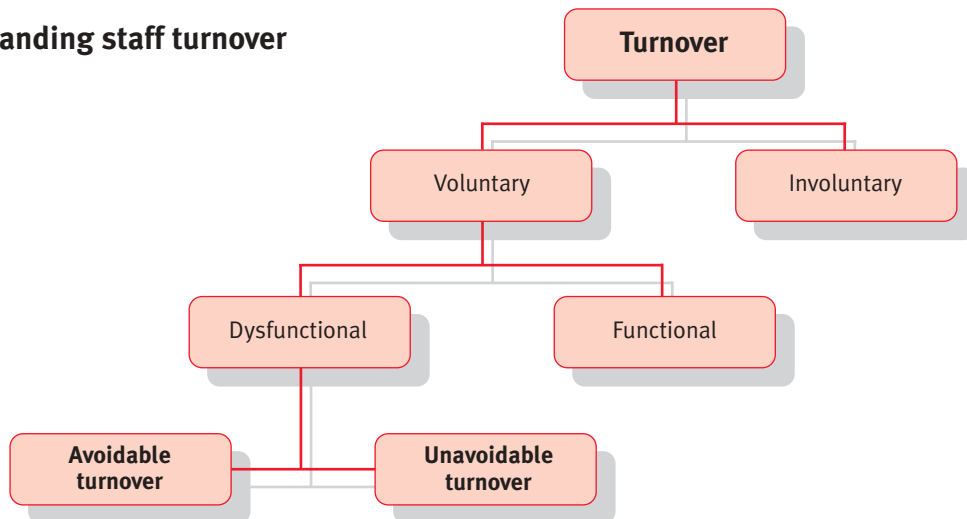
Source: Rodger Griffeth and Peter Hom, *Retaining Valued Employees* (Thousand Oaks, CA: Sage, 2001).

voluntary resignations are further distinguished between functional (the exit of substandard performers) and dysfunctional (the exit of effective performers). Unavoidable resignations over which the employer has little or no influence are excluded (e.g. family move, serious illness or death), leaving avoidable resignations (i.e. dysfunctional turnover) as the key focus for the organisation. This is illustrated in Figure 1.

One of the key questions relating to staff turnover is: 'at what point does turnover become excessive?'. For the UK-based Chartered Institute of Personnel and Development (CIPD), there is no such thing as a universally applicable target for an ideal turnover rate. According to the CIPD:

> *where it is relatively easy to find and train new employees quickly and at relatively little cost, it is possible to sustain high quality levels of service provision despite having a high turnover rate. By contrast, where skills are relatively scarce, knowledge important, relations with customers/ stakeholders are close and important, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is likely to be problematic from a management point of view.* [4]

By that definition, staff turnover is a very important issue indeed within the humanitarian sector: staff are expected to be highly qualified and experienced, with a high level of interaction with stakeholders, and finding suitable candidates is difficult. At the same time, making the reduction of voluntary turnover an end in itself is missing the point.[5] There is no benefit in retaining staff that have lost motivation or that are ill-qualified for the job. Therefore, optimal turnover is not the lowest turnover that can be achieved. In fact, any retention strategy should target an organisation's key staff, while maintaining motivation levels among the entire workforce.

Box 1

The transformation of the humanitarian sector

To understand HR practice in humanitarian NGOs today, it is useful to reflect on the dramatic changes the humanitarian sector has experienced since the early 1990s. Thanks to increasing overall budgets, operations are now bigger and involve more actors than they used to. The amount of money channelled through humanitarian agencies has led to demands for more and better accountability, as well as a general professionalisation of the sector, making the recruitment, training and retention of skilled staff more important than in the past. Several initiatives have aimed to improve performance and accountability, including the Sphere project, the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP) the Red Cross/Red Crescent Code of Conduct and the Humanitarian Accountability Partnership International (HAP-I). People In Aid was established by NGOs to promote good practice in the management and support of staff, particularly through the People In Aid Code of Good Practice, which provides a framework for effective human resource management. The Emergency Personnel Network's annual seminars have contributed to disseminating and improving best practices for the humanitarian sector. The Humanitarian Response Review has identified clear links between shortcomings within the humanitarian sector and shortages of staff and skills. Finally, in 2005 the Inter-Agency Working Group (IWG) launched the Emergency Capacity Building Project. This too has identified staffing issues as a major constraint on the capacity of member agencies to respond to crises.

Table 1: Turnover at a glance

What is turnover?		
Turnover		***Staff rotation***
Time spent with an organisation		Time spent on an assignment
Why is there turnover?		
Functional turnover	***Dysfunctional turnover***	
Organisational policies Protecting staff from burnout Building up staff experience Disseminating knowledge within the organisation Bringing fresh ideas into the organisation and allowing staff to maintain an unbiased analysis Adapting workforce to level of funding	**Environmental factors** Health and social environment, security conditions and other local stress factors	**Organisational factors** Values and management of staff, poor support, inadequate terms and conditions of service
	Programme factors Job insecurity induced by project-based funding Pressure on overheads and under-investment in training	**Individual factors** Excessive workload, career concerns, burnout, desire to start a family
	External factors Better professional opportunities elsewhere in terms of salary, benefits or promotion	
What are the costs and consequences of dysfunctional turnover?		
Costs	***Consequences***	
Direct Separation costs Recruitment costs Induction costs	**At individual level** Added workload Poor morale and job satisfaction Stress-induced health issues	**At organisational level** Loss of organisational, programmatic and operational knowledge Failure to renew leadership
Indirect Lower engagement and motivation Inefficiencies, mistakes and delays Loss of institutional memory	**At programme level** Lack of continuity Inferior programme quality	**At sector level** Loss of talent Insufficient capacity to respond Weaker capacities for inter-agency cooperation
How can turnover be dealt with?		
Assessing the situation and defining a strategy		
Setting up indicators and assessing situation	Identifying main problems, deciding objectives and action	Securing support and funding from agency's senior management
Managing turnover	***Reducing turnover***	
Ensuring continuity Improving succession planning and building local capacity **Making staff quickly operational** Rapid induction and orientation, standardised tools facilitating movements between locations **Retaining organisational memory** Ensuring knowledge and learning are shared throughout the organisation	**Workforce planning** Anticipating staffing needs and developing mechanisms to deal with supply and demand variation in emergency staff level	**Sourcing staff** Ensuring selection of staff with adequate competencies and the development of a qualified pool of staff
	Deployment and staff well being Helping staff to become quickly operational Ensuring the security, safety and wellbeing of staff	**People-management** Developing competence and motivation of staff, as well as their ability to move vertically and laterally within the organisation

There are two key points to note:

1) Organisations need to identify which positions, profiles and skills are most important to them, and where turnover is most detrimental to their organisation. They can then focus on reducing turnover for these selected categories.
2) Retaining staff that have lost motivation is detrimental for an organisation. But since the degree of motivation is to a large extent the result of management and HR practices, by increasing the 'engagement' of their employees organisations can achieve a double benefit: increased productivity, together with higher retention rates.

This report endeavours to avoid any distinction between expatriate/international and local/national staff, preferring to take a 'whole workforce' approach which reflects the fact that the majority of humanitarian workers and professionals

are locally employed. We have also tried to identify weaknesses in the current system and opportunities for improving staff capacity through better involvement of national staff, as well as identifying factors that affect the two groups in different ways.[6] However, most of the information, data and research available on staff turnover focuses on expatriate or international staff, and the authors themselves, although widely travelled and internationally experienced, are European.

Chapter 2
Understanding staff turnover in the humanitarian sector

There are compelling reasons why humanitarian agencies should encourage a certain level of staff turnover. When turnover is too low, fresh blood and new ideas are lacking and an organisation can quickly find itself turning into an ageing machine, unable to cope with change. Some staff turnover has benefits, and can help increase productivity by ensuring better matches between jobs and workers, as well as offering more flexibility to promote and develop valued staff. It can also allow an organisation to adapt to market changes without going through costly layoffs. MSF-France, for example, accepts a relatively high level of staff turnover because it keeps the organisation dynamic.[7] Other reasons for encouraging managed turnover include:

- Leaving people in difficult environments for too long is likely to affect their health and wellbeing. Staff rotation is therefore seen as a way to alternate tougher and easier assignments and minimise the risk of burnout.
- Exposing staff to different environments allows them to develop new skills and put what they have learnt into perspective, gives more depth to their analysis and fosters a better understanding of regional issues.
- Rotating staff enables individuals to gain a range of experience and allows knowledge to be transferred and shared with other employees (between field locations, from the field to HQ and from HQ to the field).
- Many humanitarian agencies working in conflict zones consider neutrality and impartiality to be key factors in their credibility, and essential to an unbiased analysis of the situation. Staying too long can endanger this, and bringing in a new person can enable a more neutral analysis, and the application of new ideas.

However, a high level of staff turnover comes at a cost, and results in considerable inefficiencies. Constantly recruiting and inducting new staff is expensive. The impact of additional workloads on existing staff, missed opportunities for learning, delays in project delivery and general inefficiencies resulting from the lack of continuity in management all present serious challenges to humanitarian agencies.

So, how much of a problem is staff turnover in the humanitarian sector? Based on evidence from existing surveys and research specific to this paper, this chapter presents key trends and figures from some humanitarian agencies.

Turnover in humanitarian agencies

In the course of this research, we contacted a number of agencies in order to assemble data illustrating how turnover is experienced in the humanitarian sector. The results of the qualitative data are fairly straightforward. A striking majority of

agencies consider turnover to be a problem, and acknowledge that it has both a financial cost and a direct impact on the quality of programmes. A majority of HR directors also believe that turnover is higher in the humanitarian sector than in other organisations.

However, figures to illustrate this are lacking. Out of 15 agencies surveyed, only three had a figure for their overall turnover rate. Only two – the ICRC and Save the Children – had calculated the cost of recruiting staff, and only three systematically monitored the reasons behind resignations. Even where indicators were available, agencies did not measure them in similar ways, making any benchmarking or comparison impossible. Finally, almost all the data available referred to expatriate staff, meaning that the picture for the whole workforce is even less precise. This lack of data implies that decisions cannot be taken based on evidence, making HR management both more difficult and less efficient.

Factors influencing staff turnover

The most stressful events in humanitarian work have to do with the organisational culture, management style or operational objectives of an NGO or agency, rather than external security risks or poor environmental factors. Aid workers, basically have a pretty shrewd idea of what they are getting into when they enter this career, and dirty clothes, gun shots at night and lack of electricity do not surprise them. Inter and intra-agency politics, inconsistent management styles, lack of team work and unclear or conflicting organisational objectives, however combine to create a background of chronic stress and pressure that over time wears people down and can lead to burnout or even physical collapse.[8]
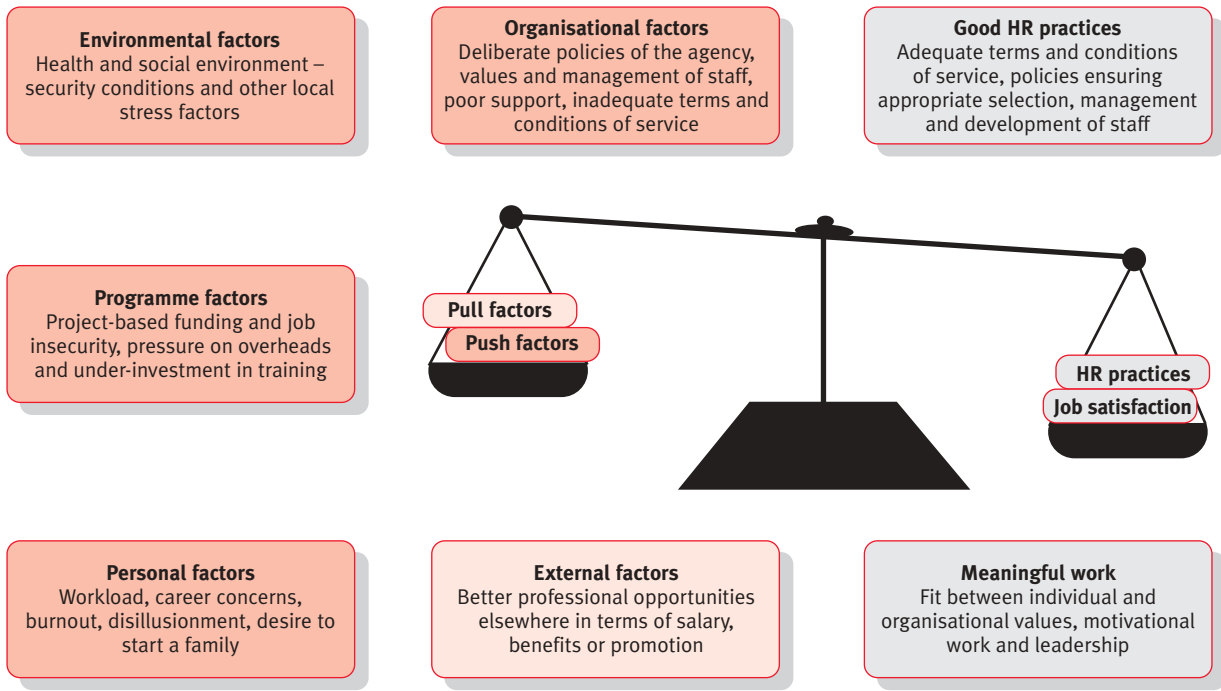

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Negotiating for access in Tulkarem in the West Bank.
Stress is one of the primary factors influencing staff turnover

Figure 2

Factors behind staff turnover in the humanitarian sector

Environmental factors
Health and social environment –
security conditions and other local
stress factors

Organisational factors
Deliberate policies of the agency,
values and management of staff,
poor support, inadequate terms and
conditions of service

Good HR practices
Adequate terms and conditions
of service, policies ensuring
appropriate selection, management
and development of staff

Programme factors
Project-based funding and job
insecurity, pressure on overheads
and under-investment in training

Pull factors

Push factors

HR practices

Job satisfaction

Personal factors
Workload, career concerns,
burnout, disillusionment, desire to
start a family

External factors
Better professional opportunities
elsewhere in terms of salary,
benefits or promotion

Meaningful work
Fit between individual and
organisational values, motivational
work and leadership

Box 2

Causes and consequences of staff turnover – a brief illustration

Whenever a humanitarian crisis occurs, there is tremendous pressure from public opinion, donors or senior management to 'do something', even when all the elements are not in place to support an appropriate response. The following example illustrates the problems one agency faced in scaling up its operations in Sudan to respond to the crisis in Darfur.

The environment in Darfur was difficult: it was hot, hygiene conditions were poor and security conditions were unstable, taking a heavy toll on the wellbeing of staff. Problems were compounded by poor cooperation from the national authorities, who made operations more difficult by imposing strict procedures, for example in the hiring of staff. Deployment and orientation of staff were also problematic, particularly in the first few months, and there was a lack of efficient management and appropriate support. The continuous influx of expatriate staff meant additional administrative and logistical burdens: organising arrivals, often at short notice, providing accommodation and arranging briefings. In the field, logistics failures and a lack of flexibility prevented staff from doing their work properly, affecting moral and wellbeing.[9]

To better understand what causes staff turnover, it is helpful to describe 'push' factors, which cause individuals to look for another job (for example, dissatisfaction with working conditions) and 'pull' factors, which draw employees towards another organisation (for example, higher salary or better benefits). Within this, it is possible to identify environmental factors, programme factors, organisational factors and personal factors. Figure 2 illustrates how these factors influence staff turnover, and how good HR management practice can counteract their effects.

Environmental factors

The nature and context of emergency work give rise to a wide range of potentially stressful environmental factors. Of course, the situation can be drastically different from one country to another; countries affected by the Indian Ocean tsunami, for instance, have proved a more congenial destination for international aid workers than Darfur.[10] All the same, security issues and difficult living conditions are common stress factors for aid workers. Research suggests that 5% to 10% of aid workers suffer from post-traumatic stress disorder (PTSD). Between 30% and 50% suffer from moderate to severe levels of emotional distress, and 40% are at high risk of burnout.[11]

Even if facilities for agency staff are better than those enjoyed by the local population, comfort is generally limited. In a survey for the ICRC in 2004, two-thirds of respondents reported that quality of life had a strong or

Figure 3

Some factors affecting the wellbeing of aid workers
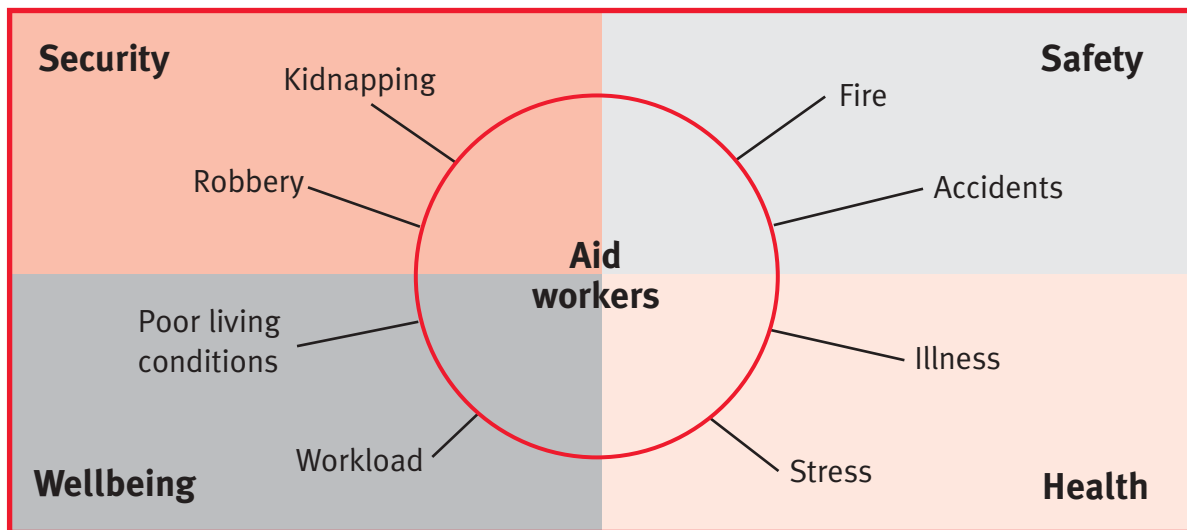
moderate influence on their decision to leave the organisation.[12] Overall, the ICRC concluded that, while stress did not appear to be the main reason for staff leaving, it had an influence on the decisions of a significant number of employees. These findings are supported by a survey by People In Aid of staff retention among the seven members of the Inter-Agency Working Group (IWG) within the framework of the Emergency Capacity Building Project.[13] This found that 29% of respondents believed stress to be a key reason for people leaving their jobs.[14]

Programme factors

During our interviews, several people mentioned the apparent contradiction between donors' increased demands for reporting and accountability, and their reluctance to accept the increased overheads that this implies. Ian Smillie has criticised the policy of short-term funding cycles, little donor investment in building the capacities of international NGOs and low overheads.[15] Smillie argues that this does not reflect the 'cost of doing business'. Thus, the view that training, evaluation, research and publications are luxuries is reinforced, while under-investment in staff development encourages higher turnover.

A reliance on short-term contracts linked to funding has meant that employees need to find a new position every year or so, possibly with a new employer, and the level of job insecurity implied can be discouraging. While it is true that short-term funding cycles tend to push agencies into offering short-term contracts, it does not oblige them to do so, and some agencies still manage to offer longer-term contracts. The issue of funding should not be used as an excuse by agencies; in many instances, the quality and

effectiveness of HR management and practices could be improved without significant additional expenditure.

Organisational factors

A number of factors related to the way an organisation is structured and managed can increase turnover levels. Some of these issues can be traced back to people management, others to organisational culture, workforce planning and recruitment practices.

HR management is critical. Weak or non-existent structures, systems and processes appear to significantly increase 'dysfunctional' turnover. Specific aspects of employment, such as a reward strategy, also play their part. Reviewing pay and terms and conditions to ensure that they are competitive and equitable, and that the reward system is transparent, is important. As well as systems and processes, organisations need to think about how their staff are managed on a personal, day-to-day level; people are more likely to want to move on when they feel that they are not properly managed, respected, supported or developed by their manager. The ICRC survey cited above found that over half of respondents were dissatisfied with management (with 11.5% 'not satisfied at all', and 45.9% 'quite unsatisfied'). Almost three-quarters of respondents (70%) said that management had been a moderate or strong influence on their decision to leave the organisation.

Complaints about managers are often related to a perceived lack of support. On-the-job training, support and capacity-building do not always clearly appear as a responsibility of field managers, and many often have a technical background, in medicine or engineering for

example, rather than managerial experience. People are given managerial responsibilities, but without the training necessary to cope with the additional tasks involved. In many cases, programme managers already have so much to do that mentoring or providing support is barely a possibility, let alone a priority.

The culture of an organisation can also play a role in determining whether people stay or leave. Work by People In Aid and the IWG shows that people respond particularly well to an organisational culture that is learning or innovative, and are more likely to stay and perform well. An organisation's responsiveness and adaptability to change will have a significant bearing on morale and levels of engagement; conversely, organisations that fail to learn from their experiences, and those that adapt poorly to change, will suffer higher levels of dysfunctional turnover.

Other organisational factors include size and recruitment practices. Size-wise, smaller agencies often find it harder to retain their staff because career prospects are more limited and there is less chance of finding a match between one's wishes and available positions. Smaller agencies typically have fewer unrestricted funds, meaning that they have fewer resources at hand to build staff loyalty.[16] In terms of recruitment, it is important that the selection process identifies potential employees that 'fit' with the organi-sation's outlook and values. While all humanitarian agencies seek to 'alleviate suffering', different agencies approach this objective in very different ways: levels of professionalism may not be the same between agencies, and different agencies may have different attitudes towards issues such as participation, working with local partners, political sensitivity or religious commitment. Failure to check that a candidate's own outlook and values fit with those of the organisation can result in the contract ending prematurely. Even though agencies are aware of this, in practice they are often forced to compromise, especially when under pressure to fill a position quickly.
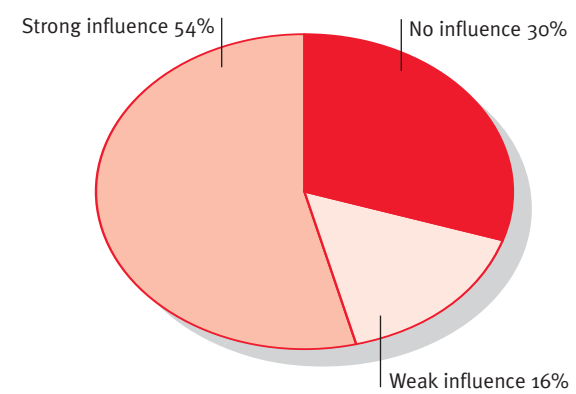
Personal factors

Among the most important personal factors influencing people's work decisions are a desire to start a family, or existing family commitments. For expatriates, family responsibilities are generally incompatible with being a humanitarian worker. These issues appear to affect staff in their 30s in particular. The ICRC survey shows that close to 75% of respondents felt that a relationship and/or family ties exerted a strong or moderate influence on their decision to resign. More broadly, one in four of the ICRC respondents said that social life (or the lack thereof) was a strong influence on their decision to leave the organisation, and the balance between private and professional life was cited by a majority (just under 55%).

For many first-time international staff, particularly people at the outset of their working lives, involvement with a humanitarian agency is seen as a short-term move, rather

Figure 4

Influence of management on decision to leave (ICRC survey)

Strong influence to stay 5%
Weak influence to stay 20%
Strong influence to quit 42%
Weak influence to quit 33%
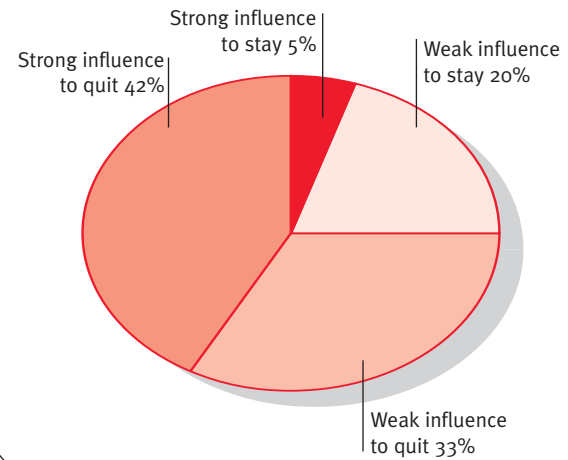
Figure 5

Influence of balance between private and professional life on decision to leave (ICRC survey)

Strong influence 54%
No influence 30%
Weak influence 16%

Figure 6

Influence of career management on decision to leave (ICRC survey)

Strong influence to stay 5%
Weak influence to stay 25%
Strong influence to quit 57%
Weak influence to quit 13%
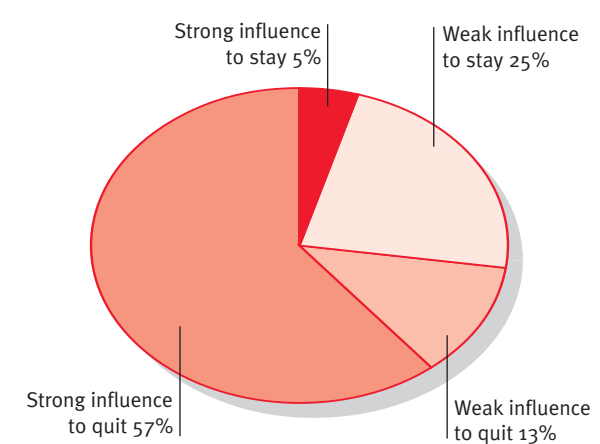
Box 3

Why are staff leaving?

People In Aid carried out qualitative research on staff retention among the seven IWG member agencies between November 2005 and January 2006. It interviewed senior managers from HR departments, and 111 emergency managers within six of the seven member agencies. The main reasons cited for people leaving the agency were as follows:

1) Better pay/terms and conditions elsewhere (cited by 50% of respondents)
2) Poor leadership/values/culture (cited by 40%)
3) Lack of career opportunities and growth (38%)
4) Burnout, disillusionment, frustration (29%)
5) Impact on personal life, work–life balance (20%)
6) Poor systems/bureaucracy (20%)
7) Poor recruitment (12%)
8) Life event (9%)
9) Feeling bored/stale (7%)

When asked what the agency would need to do in the future if it wanted to persuade them to stay longer, the group offered these suggestions:

1) Introduce or improve career paths and professional development (49%)
2) Better pay/terms and conditions, including accompanied status (43%)
3) Better work–life balance/family-friendly policies (24%)
4) Better leadership (14%)

than a career choice. Going overseas can be a way to discover another culture, while doing something useful and meaningful, or it can be an opportunity to gain professional experience. On the other hand, for people with previous work experience, especially those involved with professions that require constant training and upgrading of skills, staying abroad for too long can be seen as a handicap to further employment back home. In the ICRC survey, 60% of respondents reported that a concern for professional development and career management had a strong influence on their decision to leave. Career prospects can also encourage local/national staff to move between agencies, or to decamp to the private sector.

Consequences of staff turnover

The consequences of staff turnover can be positive and negative. When we consider the consequences of dysfunctional turnover, there are some significant costs attached (direct and indirect),[17] and the net result is a programme of inferior quality. In financial terms alone, the turnover cost for a manager has been estimated at six months' salary or more.[18]

Direct costs include separation costs, recruitment costs and induction costs, and are easier to calculate. Indirect costs include excessive workload leading to stress, poor staff morale and possibly health problems; unfilled positions and a lack of handover, resulting in a lack of continuity, inefficiencies and mistakes, as well as delays in projects, and a loss of institutional memory.

Figure 7

Consequences of staff turnover
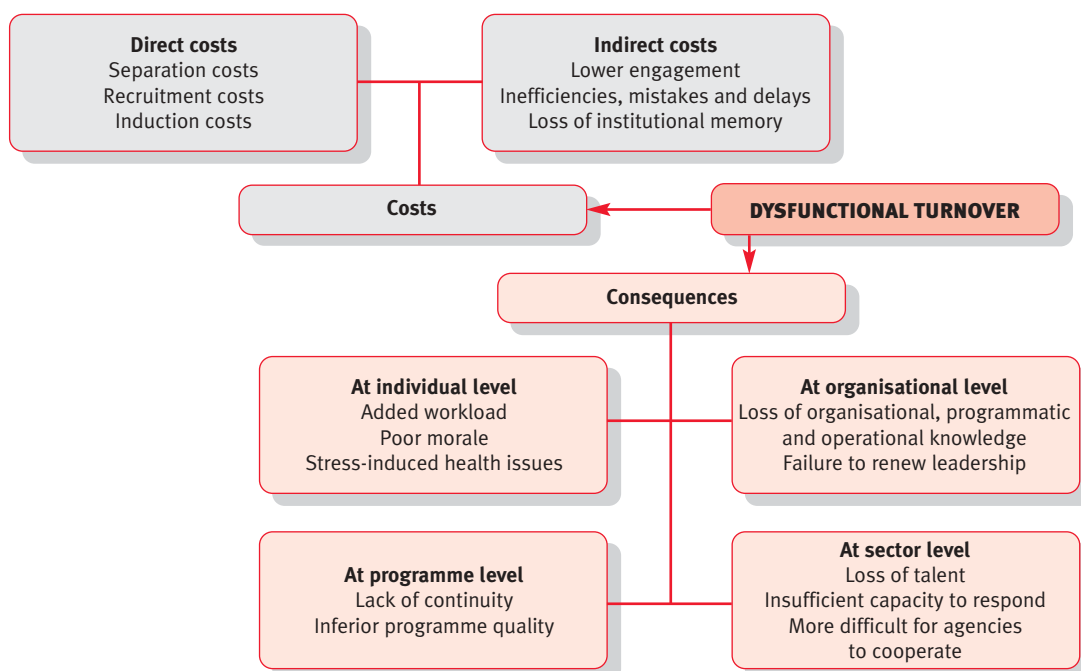
Direct costs

Direct costs include three broad categories: separation costs, recruiting costs and induction costs.

- Separation costs cover the time spent on debriefings and administrative procedures for staff who leave the organisation. Costs incurred when a contract is terminated before its planned end-date are obviously more important because all the investment made on training, orientation or travel expenses has to be amortised over a shorter period.
- Recruiting new staff can be a long process, especially when it involves looking for a specific or experienced profile. Beyond costs related to the positions of recruiters, expenses include advertising the position and filtering, researching and selecting applications. Interviews, tests, medical checks and travel expenses for interviews are related costs.
- Inducting or orienting staff can also be an expensive process. Beyond deployment-related expenses, such as travel, visas and vaccines, most agencies expect new employees to go through a formal induction and handover. During this period, significant time will be invested by other managers to brief newcomers, and salaries paid for work not directly related to projects.

The ICRC puts the cost of recruiting a new delegate at £15,000, and Save the Children UK estimates that recruiting a programme manager costs £5,000 to £6,000.[19] Costs of staff rotation and temporary secondments may be lower as there is no recruitment stage and staff transferred from other parts of the organisation will need less induction, though indirect costs will be equally high.

Indirect costs

High turnover also has a number of indirect costs. It makes it difficult to preserve institutional memory. It also creates additional work and added stress for remaining staff, leading to a consequent drop in performance until the replacement person is operational. Frequent briefings disrupt work routines, and turnover requires constant adaptation to different personalities and working styles. Unless they have a strong loyalty to their organisation, those who stay behind might get tired of continuously training new staff, and their morale can be affected. Investing time in relationships also becomes less appealing when it is clear that a person's stay will be short.

High levels of turnover and frequent staff rotation make proper handovers less likely and can leave key positions vacant, resulting in programme delays and frustration for outgoing and incoming staff. For any newcomer, however experienced, productivity is lower when they first enter a new job, and some learning needs to take place before optimum productivity is reached. Getting to know colleagues and building working relationships with them, familiarising oneself with projects, understanding office politics, learning about the political, cultural and security situation, building up or maintaining contacts with stakeholders – all make the first few months in a new job an intense learning experience.

Chapter 3
Addressing the causes of excessive staff turnover

There is much that agencies themselves can do to address the issues raised by this paper, and resources within the sector already exist to assist them. While the responsibility for addressing turnover is often given to HR departments, improved working practices must be implemented by line managers; they are thus unlikely to succeed if the process is not backed by senior management and all relevant departments. Beyond the agency itself, donors need to recognise the influence their policies can have on turnover levels, for instance in the way that funds are programmed and reporting and accountability demands made. In simple terms, addressing the issues that cause staff to leave is a fairly effective way of reducing unwanted turnover. In other words, organisations should be responding to the problem of dysfunctional staff turnover with a strategy for retaining staff. This chapter explores the components of a 'retention strategy' in an effort to develop a framework for tackling the causes and consequences of unwanted staff turnover.

The role of donors

Beyond the agency, donor policies can also have an influence on the level of turnover. To some extent, donors have recognised their unique responsibility, and have committed to a number of guidelines under the framework of the Good Humanitarian Donorship Initiative.[20] These guidelines include:

• Ensuring predictable and flexible funding.
• Introducing longer-term funding arrangements.
• Supporting mechanisms for contingency planning by humanitarian organisations, including the allocation of funding to strengthen capacities for response.
• Supporting learning and accountability initiatives.

It is too early to tell whether donors will live up to these promises. However, they have certainly demonstrated in the past that they are willing to fund relevant initiatives when agencies have asked them to – examples include People In Aid, the Emergency Personnel Network and specific training initiatives. The UK's Department for International Development (DFID) has committed to multi-year funding for a small number of agencies, and it follows that, if funding is secured over a longer period, agencies would probably be willing to give longer contracts and invest more in staff training. So far, donors have refrained from further intervention, partially it seems because they do not want to be seen as interfering with agencies' independence and their responsibilities as employers.[21] There is therefore potential to do more here.

Towards a retention strategy

In building our strategy, where do we start? In its research with the IWG, People In Aid found that the ability of an organisation to retain its staff relied primarily on:

• The presence of: a good team/colleagues; challenge and variety; and a learning/innovative culture.
• The absence of: excessive workloads; excessive impacts on personal/social life; and unnecessary bureaucracy and poor systems.

The research identified the following as priority areas for action by agencies:

1. Reviewing pay and terms and conditions to ensure that they are competitive and equitable, and increasing the transparency of the reward system.
2. Avoiding/minimising burnout/high workload and excessive impacts on personal social life.
3. Strengthening leadership to create a healthy culture and ensure that values are 'lived'.
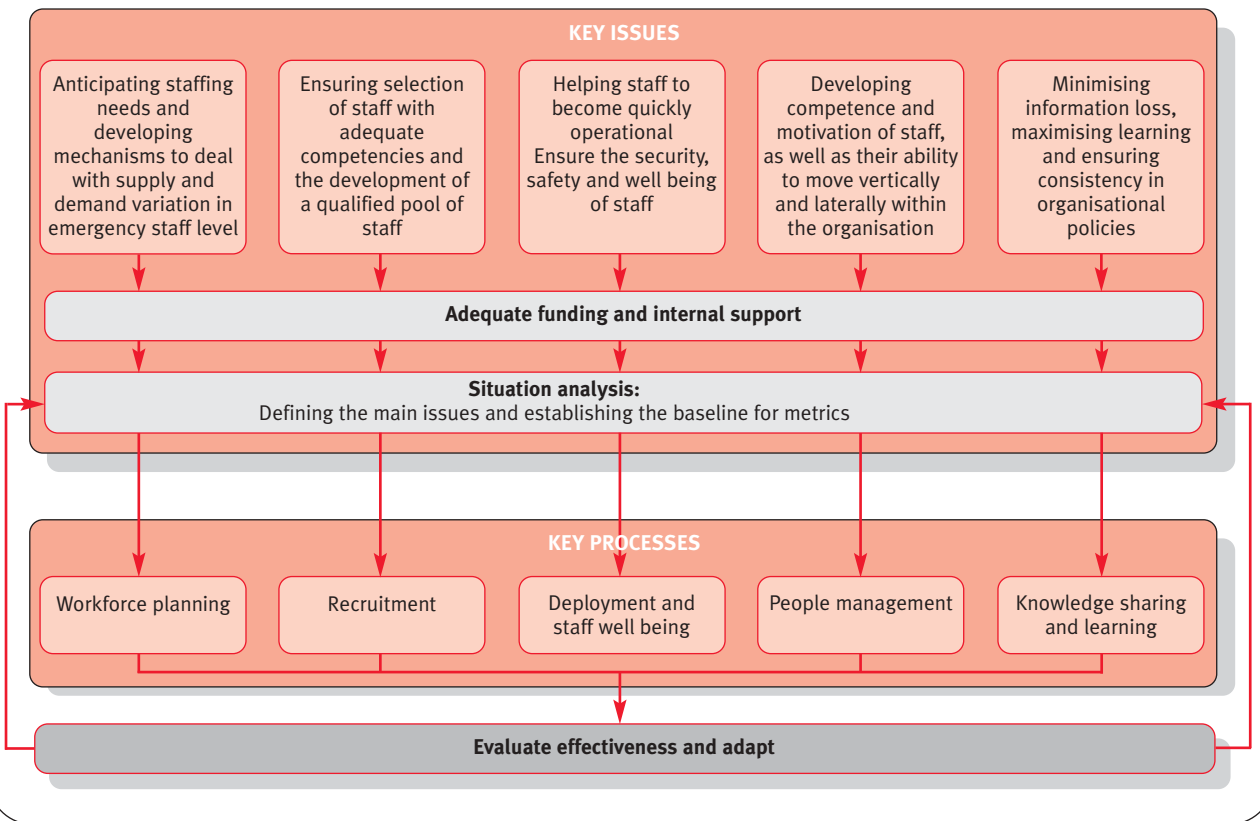4. Introducing or improving professional development and career paths.

These elements are central to designing a retention strategy, but such a task cannot be addressed by HR departments alone. The support of senior managers is crucial if a retention strategy is to succeed. Often, the HR department's role is relegated to that of an administrative support department, put under strong pressure by operations to quickly 'deliver' requested staff, often with little notice. If improving career management is to be one of the chosen strategies, then operations need to show more commitment to HR planning processes. If line managers lack the will or the skills to support these policies, they are unlikely to prove a success, and the old adage 'people join an organisation but leave their managers' will still apply. Indeed, a systematic approach is required – one that acknowledges and uses all HR processes, and has the support of senior management and line managers. Figure 8 (p. 12) summarises the different staffing processes and their relevance to retention.

Situation analysis

When a significant proportion of employees stay with an organisation only for a limited time, this is often a symptom of underlying problems. These problems need to be identified in order to determine what the most appropriate measures will be. Every agency's situation will be unique, in terms of the seriousness of the problem, what is behind it and how it is affecting the organisation. Turnover is also likely to be very different from one category of personnel to another, again calling for different strategies. For example, turnover among expatriate medical doctors is known to be particularly high and difficult to influence; turnover among administrative staff might be lower, and easier to address. Information, both

Figure 8

Key issues and processes in addressing staff turnover

KEY ISSUES

| Anticipating staffing needs and developing mechanisms to deal with supply and demand variation in emergency staff level | Ensuring selection of staff with adequate competencies and the development of a qualified pool of staff | Helping staff to become quickly operational Ensure the security, safety and well being of staff | Developing competence and motivation of staff, as well as their ability to move vertically and laterally within the organisation | Minimising information loss, maximising learning and ensuring consistency in organisational policies |

Adequate funding and internal support

Situation analysis:
Defining the main issues and establishing the baseline for metrics

KEY PROCESSES

| Workforce planning | Recruitment | Deployment and staff well being | People management | Knowledge sharing and learning |

Evaluate effectiveness and adapt

quantitative and qualitative, is a prerequisite for any response. Only once the situation has been analysed can a strategy be developed that meets the specific needs of the agency.

The use of exit interviews is recommended as a way of better understanding a person's reasons for resigning.[22] However, they are not always reliable and do not necessarily give the whole picture, particularly when conducted by a manager who may also be asked to provide a reference for the departing employee. In such a case, the departing employee can be reluctant to criticise their managers, colleagues or the organisation in general, preferring to give some less contentious reason for their departure, such as having found a better opportunity elsewhere. Because this does not make them directly responsible for the resignation, managers can be tempted to accept such answers without further reflection.[23] To address concerns about reliability, Catholic Relief Services (CRS) has contracted an independent survey company to conduct telephone exit interviews with each departing international employee. This process is explained to new hires at the induction stage.

Periodic staff surveys can be a more proactive way of assessing staff satisfaction and engagement among a more representative sample of employees. Engaging with staff through some form of survey while they are still employed gives an organisation time to adapt before employees leave. It also offers an opportunity for staff to air their concerns, a positive action in itself, provided of course that these comments are acted upon. Finally, by benchmarking or tracking key indicators over time, surveys can be a crucial tool for identifying changes, drawing attention to emerging problems and measuring performance. Metrics will be most useful when it is possible to differentiate the results by departments and contexts, in order to be able to pinpoint more precisely which areas require attention.

As discussed above, calculating a turnover rate that is both reliable and meaningful is not straightforward. Because a fixed-term contract does not imply a formal resignation when it comes to an end, it does not generally appear when calculating a turnover rate. Since most humanitarian agencies work with fixed-term contracts, this makes the exercise largely meaningless. Secondly, an overall turnover rate for an organisation is of little help unless it can be broken down to indicate which departments, geographical areas or professions are most affected, and to show which portion of turnover is avoidable. Few agencies have an appropriate monitoring system for turnover-related indicators, and the absence of such a system makes analysis, benchmarking and decision-making difficult. However, this has been recognised in the sector; for example, IWG member agencies, within the framework of the ECB initiative, have started working on a

'dashboard' grouping HR metrics for emergency response, with the objective of measuring performance within and between agencies, as well as enabling informed decisions.[24]

In the meantime, other indicators can be used to monitor and assess turnover-related issues. These include:

- Average duration of employment of field staff.
- Average time spent on each assignment, for international staff.
- 'Churning', or the number of different people filling a post over a given period.
- Percentage of positions that are vacant.
- Percentage of staff on their first mission.
- Percentage of staff who received a handover from their predecessor.
- Failure rate (percentage of people who did not complete their assignment).
- Percentage of positions filled internally.
- Percentage of people leaving to join another agency versus those leaving the sector altogether.

Other techniques include stability analysis, which focuses on the percentage of employees that stay with the organisation in a given year, and cohort analysis, which looks at employee retention by employment group.

The purpose of gathering data is either to compare it over time, or with similar organisations. In the first case, it is important that the methodology remains consistent. In the second, similar methods must be used to calculate indicators across organisations.

Workforce planning

Workforce planning is an ongoing process of dialogue between operational managers and strategic HR managers. It seeks to ensure that the agency is fully prepared to respond to emergencies, with trained staff available in appropriate timescales, and with proven policies and procedures so that they are effective and well-supported. It includes identifying likely scenarios for emergency response, including scaling up existing programmes and establishing new ones. Simulation exercises can be used to test the viability of different processes, so that ways of working develop and evolve without putting the lives of staff or beneficiaries at risk.

A key element of workforce planning is anticipating emergency staffing needs. How many emergencies will your

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A farewell dinner for aid staff leaving Afghanistan

agency respond to next year? Of what scale and magnitude? How many people will you need? With what skills? Where will you need them, and for how long? Statistically, some of these questions are not as difficult as they initially appear, but given the highly volatile nature of the sector and the inherent difficulty in predicting humanitarian crises, the approach will need to combine sharp analysis and flexibility. One could start by mapping what the agency has done over the past five years to look for some trends to extrapolate forward. It is likely that, each year, the agency responded to more events than in the previous year. Perhaps the number of programme managers employed each year has also increased. How many might be needed next year, in five years, in ten years? What type of response is the agency likely to mount in response to likely future scenarios,[25] such as the effects of climate change, urbanisation and the spread of HIV/AIDS? Such exercises can help to develop a partnership that will increase both the accuracy and the efficiency of planning. Draw some hypothetical organisation charts. Which posts will be recruited internationally, which will be found locally? Test current strategies for developing skills internally, and identify external sources.

The operational aspects of workforce planning can be found on two levels. The first has to do with contract management. The second is related to surge capacity and the management of the first wave of staff sent to new emergencies. A majority of humanitarian agencies work with short-term contracts, or define themselves as 'employers at will'[26] (for national staff, contracts may be longer, with practice influenced by local labour laws). Although some agencies use short-term contracts because they allow more flexibility, others do so because they do not feel that they have an alternative. Many agencies do, however, recognise the negative impact short-term contracts can have. World Vision describes the

challenges as follows: 'In the case of a one-year contract, the staff member will spend the first three months being inducted into the position, the next six months performing the duties of their job, and the final three months looking for their next opportunity'.[27] CRS and CARE identify short-term contracts and the lack of continuity in contracts as the major reason why people leave. To address such issues, Medair started offering multi-year contracts in 2005. International staff are now offered a two-year contract, not related to a specific location, and with extra benefits such as improved salary after the first year, training and additional holiday and re-entry allowances. The agency retains some flexibility by stating that the contract can be terminated in case of lack of funding. Oxfam has adopted a model based on open-ended contracts for its international emergency staff as part of a global strategy aiming to encourage staff mobility and longer commitment to the organisation. As a result, turnover rates have been significantly reduced, suggesting that it is possible to implement successful retention strategies in the humanitarian sector.[28]

Independently of the type of contract used, the actual duration of assignments also has an impact on programme quality, and is also often related to how efficient the recruitment system and emergency rosters are, especially when deploying to new emergencies. Quick staff rotation is more demanding for HR officers. It can also be detrimental for programmes; when the time needed to become familiar with a context and programmes is subtracted from the duration of the assignment, the amount of productive time is limited. In Medair, mission contracts that used to last only three months now last closer to a year, and longer for some senior positions. At the ICRC, employees in middle management positions are contracted for 18-month assignments instead of the previous 12. The expected benefits from longer assignments include:

- Improving the continuity of programmes, and developing staff with better knowledge of the agency's programmes and history.
- Making employment more attractive for couples with children.
- Increasing productive time and expanding opportunities for institutional learning.
- Allowing aid workers to write project proposals and implement them as well, ensuring better ownership.
- Decreasing the amount of support needed from colleagues for incoming staff over the same period of time.

The second aspect of supply and demand management that agencies have to deal with is surge capacity. The challenge here is to quickly send staff sufficiently qualified and knowledgeable about the agency that they are immediately operational, and who will stay long enough to set up programmes, allow longer-term recruitment and ensure a smooth transition to the second wave of deployment. Many agencies have some form of emergency unit that provides a link between different programmatic areas and themes, as well as an Emergency Response Team (ERT).

Emergency rosters are also widely used to complement standing teams and/or as a potentially cheaper and more flexible alternative. Rosters are lists of staff within the agency that have formally committed to make themselves available in case of an emergency, often within 48–72 hours, and generally for up to three months. Rosters are, however, difficult to set up and operate; as well as ensuring staff availability, it is crucial that backfilling is organised in advance so that the positions vacated because of an engagement with the roster do not lead to existing projects being suddenly abandoned.[29] Temporary Duty Assignments can be used as part of a roster system or separately, in order to develop staff and provide more flexibility in staff redeployment. This is especially true for national staff since it provides them with an opportunity to learn through exposure to a different context, is often a welcome experience that contributes to staff development, and helps staff to become more mobile within the organisation.

Sourcing and recruiting staff

The major part of an effective retention strategy is to ensure that staff hired are well suited to the organisation and the post to which they are appointed, so that both employee and employer are more likely to enjoy a long and productive relationship. This can be achieved through strategic sourcing (to ensure sufficient candidates of the right calibre) and thorough selection processes (to ensure the best candidate is appointed).

The organisation's recruitment function is tasked with finding staff to replace those who have left, and with filling newly created positions. In a competitive market characterised by a lack of qualified staff, the only options are to attract staff away from other agencies, develop and retain the agency's own staff, or find and develop pools of staff with transferable skills gained elsewhere.

Confronted with the current lack of programme managers, one strategy is to poach them from other agencies. Poaching is, however, a double-edged sword: there is always another employer offering a better salary. It is therefore unlikely to be sustainable. A more sustainable and effective approach is to cooperate with other agencies at field and HQ level: possibilities include sharing training, setting common standards, developing shared entry routes into the sector, streamlining salary scales and promoting secondments. Faced with the consequences of turnover, agencies have tried to widen recruitment fields or develop exclusive pools of staff, for instance via registers of former staff, secondments from partner organisations, internship/fellowship programmes and stand-by agreements with other agencies. These tools do not, however, address the underlying causes of turnover.

Recruiting managers have a crucial role in ensuring that the right staff are hired, and checking that they are well suited to excel in the job they have to do. An increasing

number of agencies are using competency frameworks to assist them in selecting and managing their staff.[30] A 'Competency' is a formal description of the behaviours that employees must have, or must acquire, in order to achieve high levels of performance. A framework provides a set of tools that managers can use for defining expectations of staff in different roles, and identifying the extent to which individuals possess such qualities. Adopting a competency framework can be challenging, as it involves significant changes within the organisation, including a shift in focus to encompass behavioural skills and competencies, alongside technical skills.[31] The implications of such an approach will affect the recruitment process, as well as job descriptions, training and performance management systems. At the same time, competency frameworks allow organisations to recognise valid transferable skills and to expand the pool of potential candidates, as well as increasing the diversity of staff within the organisation.

Staff well being

Aid workers can be exposed to a variety of factors that can affect their health, security and stress levels. Taking care of staff is a moral and legal obligation for agencies. It also ensures that they will be able to perform at their best, and will be willing to stay longer with the agency. It is therefore in the best interests of humanitarian agencies to prioritise the health, safety and security of their staff.[32] Proper security rules, evacuation plans and communication systems have to be defined and implemented, and basic safety measures need to be in place. It is also important to ensure that appropriate health care and insurance is available for staff. Pre-departure medical briefings, vaccinations and basic medicine packs and adequate housing should all be provided. Taking care of medical insurance for staff is good practice.

Other measures to provide for staff care include:

- Limiting the time staff spend on emergency assignments, and alternating between tougher and easier assignments.
- Allowing staff in hardship situations R&R, and ensuring that there is rest time between assignments.
- Including awareness of stress in training, and encouraging peer support and contact with family and friends.[33]
- Setting up employee assistance programmes.
- Setting standards for basic levels of comfort in terms of housing and equipment, and paying for excess luggage to allow staff to bring personal belongings with them, to make them feel more at home.[34]
- Conducting 'emotional debriefings' with staff after critical incidents and at the end of a contract.
- Providing psychological support to staff.

One approach to staff care is to include HR specialists in the first wave of deployment. Their role can be crucial; they can advise on recruitment and HR systems, can help ensure that HR policies are enforced and can encourage the adoption of measures to prevent and combat burnout. All these elements convey the underlying message that the agency cares for the well being of its staff.
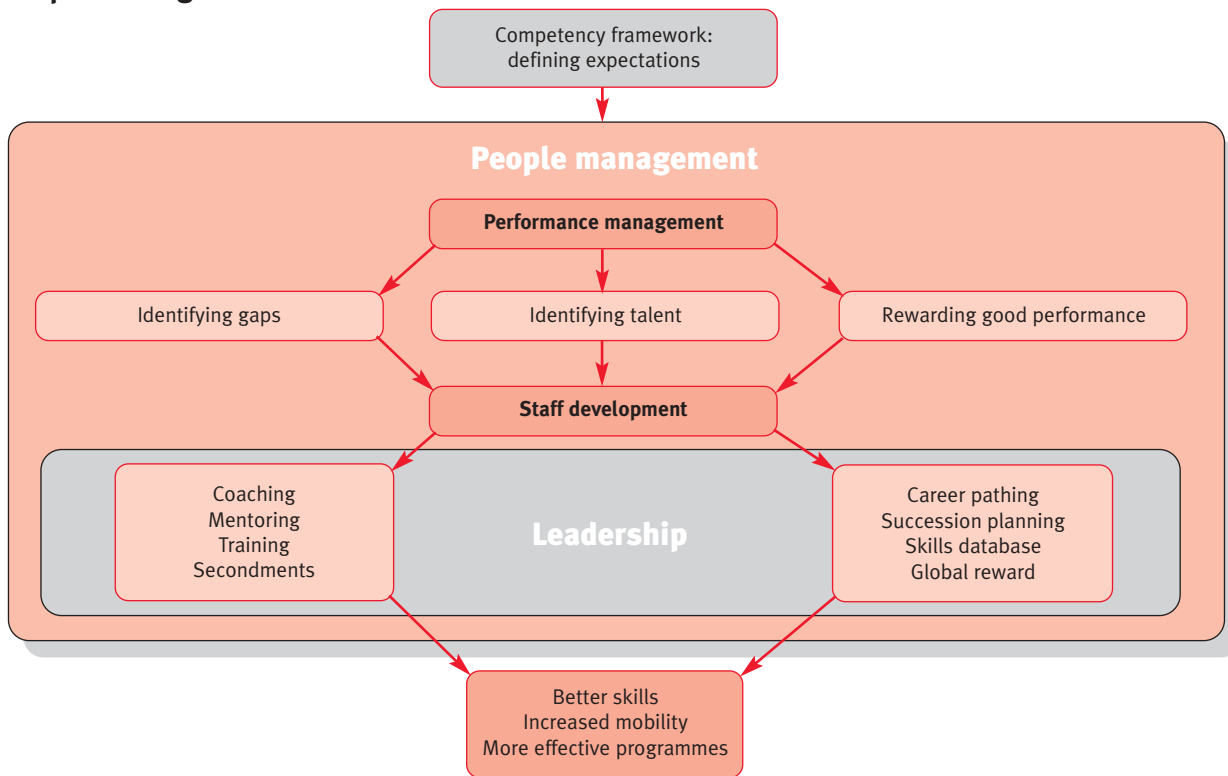
People management

People In Aid's research shows that common reasons cited for staff turnover include salary and benefits, a lack of career development and opportunities to grow, and the quality of leadership. Figure 9 shows how people management and staff development can contribute to a more mobile, skilled and motivated workforce, thus helping turnover issues.

The purpose of people management is to ensure that staff can be fully developed within a planned and structured framework, while considering the needs and interests of the organisation. It relies on four elements:

- A performance management system that establishes a realistic baseline for staff evaluation, and where good performance is acknowledged, gaps are filled and future training needs identified.
- Operational and strategic leadership that inspires, leads and shows direction.
- Opportunities to grow and learn through training, secondments, coaching and mentoring.

Box 4

MSF's experience with assessment centres

An evaluation by MSF-Belgium of its recruitment procedure for expatriates raised two significant issues. First, 50% of its staff stopped working with MSF-B after only one mission. Second, a survey of 200 MSF-B staff selected for their performance (either significantly below or significantly above average) revealed that the key factor behind their above- or below-average performance was their mastery – or not – of soft skills. As a result, MSF-B decided to adopt the assessment centre system in order to improve the quality of its selection process.[35] Through a range of tests conducted individually and in groups, management skills, motivation, adaptation skills, stress coping and professional skills are assessed. Although it requires more resources and time than a classic interview, MSF-B believes that this approach is worth the effort. Financially, the cost of an expatriate failure is estimated at 3,000 euros, while the additional cost of the assessment centre is about 100 euros per person. Therefore, to break even the assessment centres need to avoid one additional failure every 30 candidates. The system also makes the selection process more objective and gives the agency a better knowledge of candidates, thus improving the match between skills and assignments, as well as better and earlier identification of potential in candidates.

Figure 9

People management

- A system that ensures vertical and lateral staff mobility in order to provide opportunities and incentives for staff to move within the organisation.

Performance management systems aim to establish a baseline for staff performance; review progress; recognise good performance and provide a basis for reward management; identify gaps and training needs; and provide a sound and fair basis for talent management, succession planning and promoting staff.[36] In emergencies, staff are under pressure and may not see performance reviews as a priority, which means that they may not happen systematically and may not be of consistent quality. Consistency is also difficult to achieve when expatriate staff keep moving from one job to another, and from one country to another.

To be efficient, a performance management system needs to be integrated within a competency framework, and accompanied by effective communication and training. Clear job descriptions and precise objectives have to be in place in order to provide a benchmark against which to assess performance, and reviews must effectively differentiate between above-average and below-average performance. Finally, there is also a need for ongoing dialogue between staff and their managers, so that comments made in the appraisal do not come as a surprise. When a performance management system is adequately designed and imple-

mented, it allows for the more objective and fair management of staff.

Agencies are increasingly providing training courses to help their managers develop leadership skills. Most staff are expected to show leadership qualities from time to time. A small number invariably demonstrate real leadership potential, and much work is being done to assist agencies in identifying these people. Competency frameworks are meant to be a first step, and help ensure that behavioural skills such as leadership are taken more fully into account in the recruitment and promotion of staff.

Staff development can be defined as helping staff reach their potential in a way that is also beneficial for the organisation. It should ensure that employees have the skills required for their position, and are also able to advance the objectives of the organisation. Although agencies often do not consider staff development as a priority and find it difficult to implement, there are several reasons why they should give it more attention:

- Staff with relevant skills or experience are not always readily available within the organisation, and often cannot be recruited externally. Therefore the organisation has to develop its staff in order to match needs with skills.

- Staff development is a way to improve retention by providing opportunities to learn and grow. It sends a strong signal to staff that they are valued by their employer which, in itself, can increase levels of engagement.
- Developing staff is meant to facilitate their movement into more senior jobs, thus ensuring the availability of senior executives and good-quality leadership.
- Training and staff development improve the performance of employees, and keep the organisation relevant and efficient.

Training, learning and development can take different forms, such as classroom courses, workshops, online training or formal education. In the latter case, agencies sometimes financially support full- or part-time study, in exchange for longer-term commitment from their staff. Making sure that employees have a chance to upgrade their skills and maintain their employability can make them more willing to remain with the organisation. Some agencies have developed initiatives in this area. ICRC's 'Capital Avenir' programme, for example, makes funds available to help employees to reorient their career or upgrade their professional skills. The agency also advises and supports departing staff in their career transition.

Providing short-term training during assignments can be difficult, and agencies have looked at alternatives. For example, Oxfam has developed 'Pick up and go' training packs that cover a range of basic skills. Half- or one-day sessions can be delivered in the field by any manager, with minimal preparation.[37] Others have started to use mentoring and coaching as a complement to formal training. World Vision has a 'Feeder school program', under which junior staff shadow the agency's ERT members and are coached by their mentor for 15–18 months.

Staff development only makes sense if staff are provided with professional opportunities to utilise newly acquired skills. Indeed, if employees gain new skills but stay in their position, this can lead to frustration and induce them to take professional opportunities outside of the organisation. This is why staff development needs to be accompanied by policies enhancing staff mobility, both laterally and vertically. That said, talent management can be controversial if it challenges an agency's commitment to equal opportunities and equity of treatment for all staff.[38] Perhaps as a result, few agencies use fast-tracking in their approaches to staff development.

While it is the responsibility of individual aid workers to choose the direction they want to give to their career, agencies should at least define typical pathways to provide a framework for professional development. If staff mobility increases, it follows that succession planning, relying on internal or external recruitment, needs to be made more efficient. At the very least, key positions should be planned to ensure that strategic operations do not go unstaffed. In the case of longer-term programmes where expatriates are used, succession planning also means capacity-building and preparing local staff to take over. For such a system to work, it is crucial for an organisation to have an in-depth

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Box 5

The importance of the psychological contract[39]

The legal dimension of the contract between an agency and its staff is only one aspect of contract management, and research suggests that an employee's commitment will be much more dependent on the psychological contract between the two parties. The term 'psychological contract' refers to 'the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other'.[40] These obligations will often be informal and imprecise: they may be inferred from actions or from what has happened in the past. The contract is based on employees' sense of fairness and trust, and their belief that the employer is honouring the 'deal' between them. Where the psychological contract is positive, increased employee commitment and satisfaction will have a positive impact on business performance. The kinds of commitments employers and employees might make to one another are shown in the list opposite.

Some agencies specifically build up the psychological contract during job interviews, for example by discussing medium-term career objectives when hiring for a short-term post, or by confirming a candidate's willingness to be redeployed to other countries if programme needs change.

Employees commit to:	Employers commit to provide:
- Work hard - Uphold the agency's reputation - Maintain high levels of attendance and punctuality - Show loyalty to the organisation - Work extra hours when required - Develop new skills, and update old ones - Be flexible, for example by taking on a colleague's work - Be courteous to stakeholders and colleagues - Be honest - Come up with new ideas	- Pay commensurate with performance - Opportunities for training and development - Opportunities for promotion - Recognition for innovation or new ideas - Feedback on performance - Interesting tasks - An attractive benefits package - Respectful treatment - Reasonable job security - A pleasant and safe working environment

knowledge of its workforce and that workforce's skills. This usually means linking the Performance Management System to a database to enable quicker and more accurate matches between available staff and open positions. Finally, because 'dissatisfaction about pay has as much to do with how pay is communicated and pay inequity as it does with pay',[41] it is crucial that the reward structure is harmonised within the organisation so that it is sufficiently attractive for people to move from one country to the other, and fair enough to avoid creating tensions. Oxfam has tried to address such issues through a comprehensive program called 'Global rewards', with the stated objective of increasing mobility.[42]

Chapter 4
Managing the consequences of staff turnover

The previous chapter has shown that there are ways to reduce the level of turnover, but that a certain level of turnover is unavoidable. A healthy organisation can also take measures to mitigate the negative effects of turnover, including the loss of key individuals from the organisation and management rotation within stressful programmes. Key issues are outlined in Figure 10.

Succession planning

Who would carry out your duties if you were unable to be at your desk today, due to illness, family crisis or worse? This is a question that every conscientious manager must consider from time to time, and that most boards think about very carefully with the directors who are most critical to their organisation's success. The role of deputy normally includes the responsibility to cover for the manager in the event of that person being unavailable. Even if a deputy is not formally appointed, it is helpful to have in mind someone who could provide cover, and to make this an explicit part of that individual's performance development plan.

Ensuring that work can continue whilst key managers are on vacation is just one step away from preparing for a manager's eventual departure from the post. This does not make it more likely that the person will leave, nor is it in any way disloyal to the individual. Indeed, if done openly and

transparently, it becomes part of the way that a healthy organisation prepares its managers for promotion (it may also be part of an effective retention strategy). Is the agency developing talent to replace managers when they leave? Is it identifying external sources of skills and experience? If a strategy involves hiring staff away from other organisations, is the agency ready for these organisations to do the same?
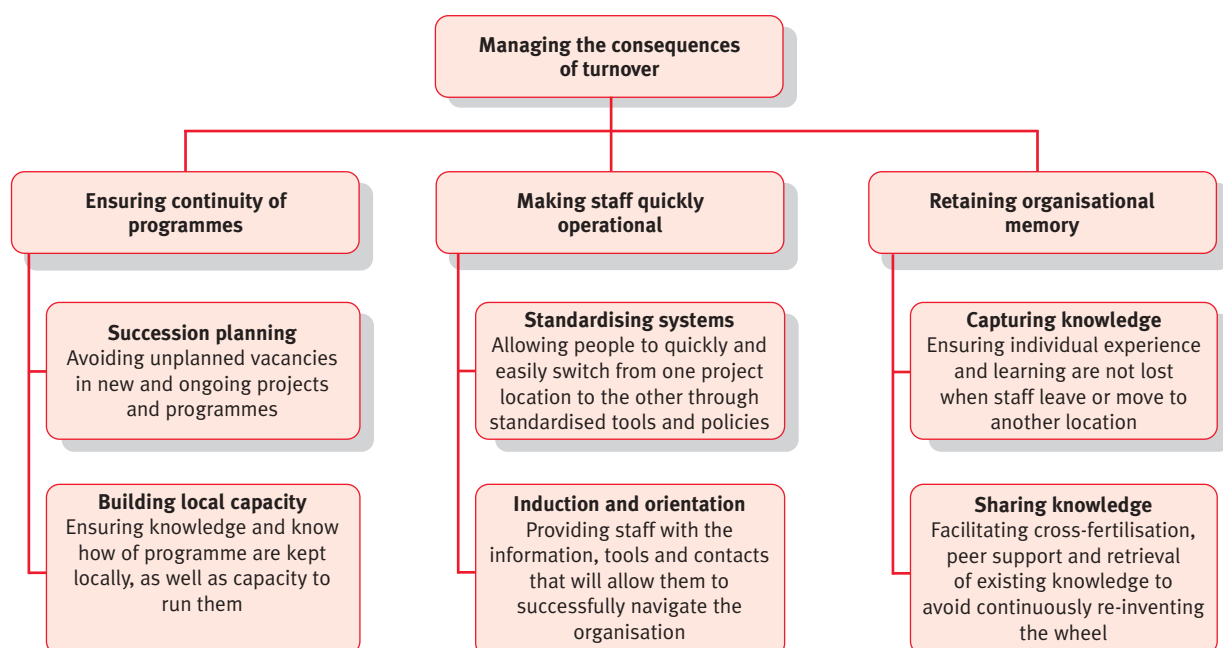
Managing for continuity

Some of the most straightforward continuity measures can be implemented immediately with a modest amount of management time and without significant additional expenditure. At the height of an emergency programme, such measures can easily be overlooked. For example:

- A manager and their deputy should not both be on fixed contracts ending at the same time – ensure that at least one of them will be able to provide ongoing support for the other's replacement. If this is already the case then act immediately to extend one of the contracts – the risk to programme continuity of both people leaving simultaneously normally outweighs any potential consequences associated with extending a contract before new grants are finalised. Indeed, assured management continuity can be presented to donors as a positive reason for backing a funding proposal.

Figure 10
Managing the consequences of staff turnover

Managing the consequences of turnover		
Ensuring continuity of programmes	**Making staff quickly operational**	**Retaining organisational memory**
Succession planning Avoiding unplanned vacancies in new and ongoing projects and programmes	**Standardising systems** Allowing people to quickly and easily switch from one project location to the other through standardised tools and policies	**Capturing knowledge** Ensuring individual experience and learning are not lost when staff leave or move to another location
Building local capacity Ensuring knowledge and know how of programme are kept locally, as well as capacity to run them	**Induction and orientation** Providing staff with the information, tools and contacts that will allow them to successfully navigate the organisation	**Sharing knowledge** Facilitating cross-fertilisation, peer support and retrieval of existing knowledge to avoid continuously re-inventing the wheel

- Never assume that an individual on a fixed contract will extend it. Always plan to replace that person in good time, before they take their knowledge and experience to the next post.
- Never assume that an individual on a fixed contract knows that their employer is hoping that they will extend. Their and the agency's long-term plans should be discussed before they start looking for another job.
- Consider the alignment of responsibilities and employment stability. Individual national staff often stay with a humanitarian programme for longer than internationals. They may be well qualified, and familiar with the context, language and culture. While some management and technical roles need to be filled from the international pool for reasons of impartiality or prior experience, it is valuable to consider local talent before automatically replacing an expatriate with another one. Senior national staff may provide the most effective protection against expatriate turnover.

- Keep a personal checklist of 'lessons learned' about managing continuity.

Preserving institutional memory

Organisations can reduce the negative impact of high turnover by more effective learning and knowledge transfer within the organisation.[43] Indeed, the higher turnover is, and the quicker staff are rotated, the better agencies need to be at learning and sharing knowledge. Facilitating learning and making it easy and attractive to retrieve, adapt and reuse knowledge is crucial for humanitarian agencies, for reasons of cost, as well as programme efficiency, safety and staff security.

Much has been written on this topic,[44] and there are some well-established best practices. Most initiatives involve information technology, but recognise that creating a database or document library is not sufficient – many manuals, intranets and CD-ROMs lie unused, and have little or no impact on programme performance. The first

Box 6

Expatriate turnover and national staff

Locally hired and managed employees comprise the majority of the workforce for most humanitarian agencies (typically over 90% of staff are working in their home country).[45] These employees usually stay with an agency for longer than international staff. They form a living institutional memory, often able to recall and explain what decisions were taken and why.

At some stages of a programme lifecycle (especially start-up), large numbers of experienced international staff may be needed to bring in specialist skills and jump-start operations. Most agencies have focused on building such surge capacity, sometimes involving the temporary transfer of national staff to international roles in neighbouring countries. Such individuals can bring a good understanding of how field systems are implemented in reality, and the additional skills and experience that they gain remain within the organisation, and become an asset to their home country upon their return.

Once a programme is established, it is valuable to reassess how many international staff are really needed and in what roles, to ensure that, wherever possible, management posts are filled by individuals able to make a long-term commitment. Some agencies are turning to the diaspora

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Afghan staff supervising the production of prostheses at the ICRC orthopaedic centre in Jalalabad. Locally hired employees comprise the majority of the workforce for most humanitarian agencies

for skills and experience. Others are developing their talent pool by creating international posts in non-management roles (reporting to national staff managers). This helps to maintain a diverse workforce, and builds a cadre of future managers with valuable insights and international experience. Such schemes tend to challenge conventional salary scales, and may require a re-examination of the organisation's global compensation and benefits structure. Investing in the skills of national staff is of long-term benefit to humanitarian agencies.[46] Similarly, international staff must be equipped with the skills they need to work effectively with national colleagues.

and most important step is to create a learning culture in which front-line staff want to share knowledge because they think it is useful.

In reality, those who most need effective knowledge-sharing are often not the best at it. Because of their activist nature, humanitarian agencies tend to be poor at learning, and much of the reporting produced is too immediate and descriptive to be of use later on. Some agencies have a knowledge-sharing strategy, though learning is often considered a waste of resources and a diversion from 'real work'. One major agency succeeded in breaking out of this cycle when it realised that loss of institutional memory was affecting relations with its donors. Those seeking support for the institutionalisation of measures needed to retain and reuse organisational knowledge should first identify which drivers are most likely to capture management attention.

Standardised management systems

If planned rotation is part of an organisation's response to management burn-out, then it is important for international staff to be able to quickly and easily fit into any country programme with minimum adjustment. To achieve this, the agency needs to reduce the divergence in systems and processes that results from decentralisation and the influence of strong independent managers. Many agencies are trying to streamline procedures and management toolkits so that the organisational environment is familiar to staff, whatever their location. Elements of such toolkits include:

- programme design, monitoring and evaluation methodology;
- project management;
- finance management;
- security management;
- logistics management; and
- human resources management.

Creating systems is not enough – they must be used and maintained. Extensive training of managers so that they can understand and appreciate the benefits of standardisation helps to maintain the integrity of the systems that are installed. A strong sense of 'ownership' is important – it may be more beneficial for new tools to be endorsed by experienced country directors and emergency managers than by a distant head of department in headquarters (though senior management sign-off is also important). Hiring new international staff from among the cadre of experienced national staff also helps to build and maintain expertise in applying globally standardised management systems.

Making new staff quickly effective

A healthy organisation always has new staff joining it, whether as a consequence of expansion or turnover. Induction, orientation and handover are critically important, as they affect both the speed with which an employee becomes productive and the quality of their

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Box 7

'Office in a Box'

Mercy Corps' 'Office in a Box' concept provides staff with a set of standardised tools and field tested guidelines and manuals.[47] These include:

- New Office Start-up Checklist
- Field Asset Manual
- Field Warehouse Manual
- Field Administration Manual
- Field Procurement Manual
- Field Security Manual
- Field Fleet Manual
- Field Finance Manual
- Tricks of the Trade

The toolkit combines best practice in Mercy Corps field offices with donor regulations to create consistent documents and templates for the management of field operations. The benefits include:

- Less time is spent on redoing what has already been done, making more time available for the design and implementation of the response.
- Strengthened systems that improve programme design and help prevent mistakes.
- More efficient use of organisational learning.
- A more consistent approach.
- Increased accountability.

The Office in a Box was created by a team of experienced field staff, who use the materials and keep them up to date.

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work. A structured process enables staff to quickly form successful teams, to understand the expectations of their roles and the context in which they operate, and to maximise the impact of their knowledge and capabilities.

Induction, orientation and handover typically cover six main areas:[48]

- Acquiring the knowledge and skills necessary to do the job the new staff member has been recruited for.
- Knowing who to talk to in the organisation to get access to specific information.
- Understanding the hierarchy of the organisation.
- Mastering the technical language and jargon specific to the organisation.
- Understanding the organisation's goals and values.
- Being aware of the history of the organisation and its traditions.

During induction, employees who are new to the organisation become familiar with its structure, function, norms,

Table 2: Learning needs just before a field assignment

Knowledge areas		Explicit sources	Tacit sources
On the employing organisation	*Organisation's general purpose, history, approach*	• Induction course • Yearly reports	• Stories from long-serving staff
	Formal processes and reporting lines	• Organisational charts • Operating manuals	• Informal social networks; stories about who makes the main decisions
	Culture and values	• Mission statement	• What gets rewarded?
On the specific job	*General information on the specific mission (political and cultural context) and technical sector*	• Interviews with key staff in the organisation • Reports • Personal web search • Maps • 'Who's who' list	• Contacts with others who have been on site (face-to-face or by telephone) • Personal social network
	Tasks	• Job description • Organigram • Orientation sessions, interviews with resource people • Briefing session with predecessor • Contact with supervisor • Materials from supervisor (emails, documents)	• Conversations with supervisor • Work overlap with predecessor • Strengths and weaknesses of staff
	Performance standards	• Job description • Competency statement • Code of conduct • Performance management system	• Advance information from peers, supervisor on what's expected and office dynamics

Adapted from Fernande Faulkner and Brian Foster, *Managing Learning at the Field Level in the Humanitarian Sector*, ALNAP, 2004, www.alnap.org.

rules and procedures.[49] They learn about its history, vision and philosophy. A well-managed induction process makes participants feel welcome, and leads to increased commitment, loyalty and motivation. To help this process, some organisations have developed CD-ROMs and other materials that managers can use when receiving new staff in the field.

A job-specific orientation enables new employees to build on the information gained from the induction, focusing on their specific role and responsibilities as well as the contextual setting of the programme they are entering. Serious commitment on the part of the agency is needed to ensure that briefings are of consistent quality and are systematically delivered.

Finally, when a new staff member takes over an existing position, in-person handover from the departing employee can be instrumental in determining the amount of time needed to become effective. In addition to sharing information not written down, joint meetings with stakeholders make this process a vital transfer of authority and responsibility.[50] After this, a 'buddy' or mentoring

system can help newcomers to become aware of unwritten rules, prevailing norms and other essential tacit knowledge. Mentoring can help to attract and keep talented employees, reduce turnover and increase productivity. It also accelerates an employee's contribution to productivity.

Learning on the job

No individual can be perfectly prepared through briefings and training courses, especially given the unpredictable nature of emergency situations. Humanitarian professionals learn mostly 'on the job'. Knowing where to find information or how to look for it is essential in building relevant knowledge.[51] Encouraging such skills and opportunities for new staff also makes an organisation more resilient to turnover.

Most knowledge is not recorded in documents and remains at an individual level, or in some cases at group level. Making tacit knowledge accessible and managing available knowledge in a way that does not flood busy workers with useless information are essential capabilities

for effective humanitarian organisations. At the same time, organisations should be careful not to rely exclusively on individuals as knowledge recipients, in order to be able to cope with their departure, especially when it comes at short notice.

Staff networks or 'communities of practice' can be instrumental in providing peer support for professional staff in fast-moving or unpredictable environments. Such dynamic structures accommodate change more easily than knowledge repositories such as databases. Their membership is based on participation rather than official status, and so they are less sensitive to hierarchy or organisational boundaries. They exist informally within most organisations; while trying to create them artificially is difficult, an organisation can at least try to facilitate their existence.

A community of practice does not have to be contained within an organisation (some 150 independent communities for humanitarian professionals are listed by ReliefWeb).[52] It does not even necessarily imply the use of IT: investing in a coffee machine, a water cooler or a staff canteen can be enough. Informally discussing common issues is also a useful and effective kind of peer support, and bars, parties or dinners are frequently used for that purpose.[53] In practice, such fora tend to be segregated, with national staff congregating in different bars, and international staff monopolising access to internet services, whose content is often written in English anyway. As organisations begin to see their entire workforce as a global resource, so they can invest in and develop improved mechanisms for shared learning.

Chapter 5
Conclusion

Dysfunctional staff turnover and rapid rotation are expensive. They incur direct and indirect costs, as well as affecting programme quality, support functions and staff morale. There are, however, practical ways for agencies to both reduce turnover and mitigate its consequences, often without significant additional expenditure.

Understanding staff turnover

There are various elements within what we understand as staff turnover – ranging from individuals leaving an organisation during an assignment, or at the end of a contract, to planned rotation of international staff between different locations.

The factors influencing turnover are diverse, and it is clear that the consequences of staff turnover can be both positive or negative. A certain level of turnover and mobility between working locations is both necessary and healthy: when priorities change, there are good reasons for moving staff from one location to another. Managed turnover helps to keep the workforce fresh, and ensures opportunities for rising talent. There is also some evidence that employees and employers gain from the variety of experience which is provided through temporary assignments within the context of a longer-term career. However, as this paper has shown, the negative consequences of staff turnover present organisations with considerable challenges, and tackling the causes must be a priority for top and senior management. A number of important 'push' factors have been identified during the course of this paper, including the nature and context of emergency work, the use of short-term contracts and ensuing job insecurity, the level of support and the general quality of HR systems, as well as constraints related to people's private life. These factors seem to have more influence on turnover than 'pull' factors, i.e. those factors which draw employees towards another organisation.

Understanding the precise costs of staff turnover is probably the first step towards resolving the problems unmanaged turnover can cause. The impact is not limited to individual, programme or agency level, but extends to the sector as a whole. At the individual level, humanitarian professionals are forced to carry the burden of high turnover among colleagues. At programme level, excessive management turnover creates considerable disruption, undermining quality, causing inefficiencies, weakening stakeholder relations and limiting organisational memory. Agencies can find themselves trapped in perpetual cycles of hiring and deploying new staff, with the risk that avoidable mistakes are repeated, and staff become disheartened or eventually quit. Agencies also suffer financial costs and loss of productivity each time an individual leaves a project and moves to a new one. For the sector as a whole, the current shortage of mid-level and senior field managers, which is to some extent related to excessive turnover, encourages unhealthy competition for international staff, even though the pool of local staff remains largely untapped for the development of senior managers.

Reducing staff turnover

When staff turnover itself becomes one of the causes of turnover, then an investment to reverse the tide will have double value. Research among current and former humanitarian professionals has identified some of the reasons why people leave agencies and why they stay, including factors which are within the power of employers to improve.

Retention strategies can simultaneously target different layers, as shown in Figure 11 (p. 26). The first level is the most basic, and also the only part that appears in the contract signed between employee and employer. Because of that, it is also the easiest for other agencies to match or better, and so is not the most reliable way to build loyalty. The higher one goes up this pyramid, the more unique the relationship between the organisation and its staff becomes, and the more difficult it is to compete with. The fact that elements of identity are at the top does not mean that they should be addressed last. Quite the opposite: they are the essence of an organisation, what makes it unique and worth belonging to.
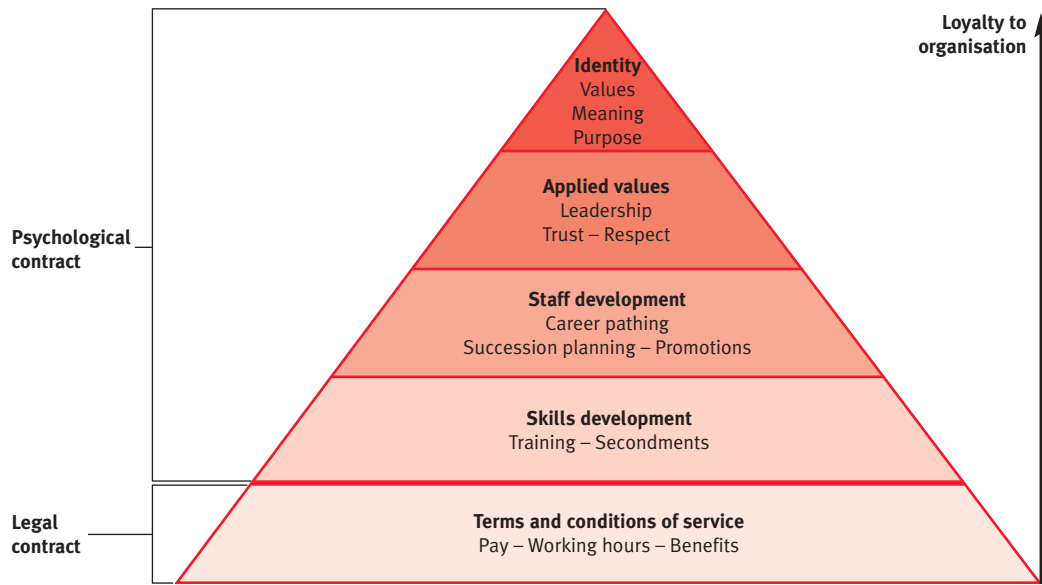
A framework for action

Figure 12 (p. 26) outlines the basic steps in defining a retention strategy. But no matter how successful such a strategy is, the question of learning and knowledge management remains. While IT approaches to knowledge management can facilitate learning and access to information, they are not sufficient, and developing capacities to learn and to adequately apply knowledge should be given as much priority. In this respect, making full use of the benefits staff rotation can bring in terms of cross-fertilisation and sharing knowledge remains a challenge.
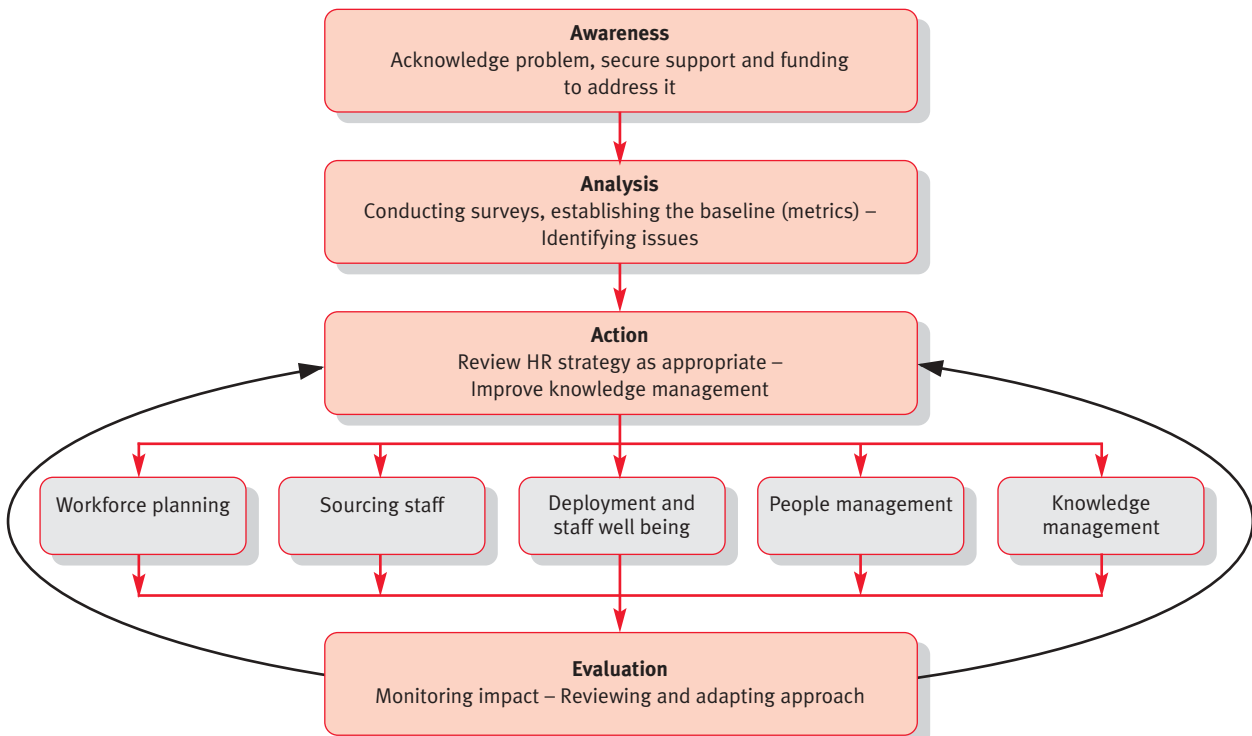
As Figure 12 shows, increased awareness and situation analysis are the first steps in defining a retention strategy. Therefore, we conclude with some questions to help organisations begin to acknowledge and address the problem.

- Does the agency follow key indicators (see Chapter 3) to keep a clear picture of its workforce and its evolution? Is it able to put a figure to the costs of staff turnover?
- If turnover is identified as a problem, has any action been taken? Is the perception of the problem similar

Figure 11

Increasing levels of staff loyalty

Loyalty to organisation ↑

Psychological contract

Identity
Values
Meaning
Purpose

Applied values
Leadership
Trust – Respect

Staff development
Career pathing
Succession planning – Promotions

Skills development
Training – Secondments

Legal contract

Terms and conditions of service
Pay – Working hours – Benefits

Figure 12

A framework for action

Awareness
Acknowledge problem, secure support and funding to address it

↓

Analysis
Conducting surveys, establishing the baseline (metrics) – Identifying issues

↓

Action
Review HR strategy as appropriate – Improve knowledge management

| Workforce planning | Sourcing staff | Deployment and staff well being | People management | Knowledge management |

Evaluation
Monitoring impact – Reviewing and adapting approach

throughout the organisation, or are the views of the HR department, the field and senior management different? If so, why?

- Is HR practice in the organisation the result of a carefully thought out strategy, or are external elements guiding it? Does the HR department have a strategic plan in line with the general plan of the organisation? Is the use of fixed-term contracts or expatriates the result of a strategic choice, or a practice inherited from past experience and tradition?

- Does the agency have a strategy to recruit, develop and retain a workforce that is based not only on experience and technical skills but also on competencies that will privilege potential, resilience and people-management skills?

- Does the organisation have systems that make it easier for staff to become quickly operational, such as standardised operations manuals, orientation covering knowledge related to the organisation, context and programme, as well as handovers when taking over an existing position?

- Does the agency live up to its mission statement and values when it comes to taking care of and supporting its own staff?

- Is the agency committed to developing the skills of its staff and providing them with opportunities to move both vertically and laterally within the organisation? Is a performance management system in place to ensure fair evaluation and development of staff, as well as policies encouraging mobility? Are those systems designed for national staff as well as expatriates?

- Does the agency learn lessons by chance, or as the result of a conscious process to capture and transfer knowledge?

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Notes

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2   Agencies consulted include the British Red Cross, CARE, Catholic Relief Services, ICRC, the International Rescue Committee, Mercy Corps, MDM France, MSF Belgium, MSF Switzerland, Oxfam GB, Save the Children UK, Save the Children USA, Terre des Hommes, UNHCR and World Vision.

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Humanitarian Practice Network

The **Humanitarian Practice Network (HPN)** is an independent forum where field workers, managers and policymakers in the humanitarian sector share information, analysis and experience.

HPN's aim is to improve the performance of humanitarian action by contributing to individual and institutional learning.

HPN's activities include:

• A series of specialist publications: Good Practice Reviews, Network Papers and *Humanitarian Exchange* magazine.
• A resource website at www.odihpn.org.
• Occasional seminars and workshops to bring together practitioners, policymakers and analysts.

HPN's members and audience comprise individuals and organisations engaged in humanitarian action. They are in 80 countries worldwide, working in northern and southern NGOs, the UN and other multilateral agencies, governments and donors, academic institutions and consultancies. HPN's publications are written by a similarly wide range of contributors.

HPN's institutional location is the Humanitarian Policy Group (HPG) at the Overseas Development Institute (ODI), an independent think tank on humanitarian and development policy. HPN's publications are researched and written by a wide range of individuals and organisations, and are published by HPN in order to encourage and facilitate knowledge-sharing within the sector. *The views and opinions expressed in HPN's publications do not necessarily state or reflect those of the Humanitarian Policy Group or the Overseas Development Institute.*

Funding support is provided by institutional donors (AusAID, CIDA, DANIDA, DFID, Development Cooperation Ireland, MFA Netherlands, SIDA, USAID), non-governmental organisations (British Red Cross, CAFOD, Christian Aid, Concern, International Rescue Committee, MSF, Oxfam, Save the Children (UK), World Vision) and UN agencies (WFP).

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