

**Cara Silletto:** [00:00:00] The new generation has options, has more competence, has more access to things. And so, they're going to say, "Enough is enough, I'm not working somewhere that is going to treat me that way or that doesn't let me be heard or that has me on a linear path. I need more options than that."

**Peter Margaritis:** [00:00:26] Welcome to Change Your Mindset podcast, formerly known as Improv is No Joke, where it's all about believe that strong communication skills are the best way in delivering your technical accounting knowledge and growing your business. An effective way of building stronger communication skills is by embracing the principles of applied improvisation. Your host is Peter Margaritis, CPA a.k.a. The Accidental Accountant. And he will interview financial professionals and business leaders to find their secret in building stronger relationships with their clients, customers, associates, and peers, all the while, growing their businesses. So, let's start the show.

**Peter Margaritis:** [00:01:11] How do we keep our best and brightest employees? What is the true cost when an employee leaves the company? Are we at risk of losing some of our most talented, tenured, and loyal employees? Is a quarterly financial reporting model having an effect on our retention strategy? Well, those questions and more will be answered by my guest, Cara Silletto, who was the Chief Retention Officer in her consulting firm.

**Peter Margaritis:** [00:01:39] Cara's also an author of two books, *The Millennial Mindset: Why Today's Workforce Thinks Differently* and *Staying Power: Why Your Employees Leave and How to Keep Them Longer*. Cara's also a professional keynote speaker and a member of the National Speakers Association. From manufacturing to health care and professional services to nonprofit, Cara's worked with businesses in a plethora of industries. Her knowledge of industry jargon and her understanding of what keeps leaders in those businesses up at night is one of the many keys to Cara's success.

**Peter Margaritis:** [00:02:15] Workforce magazine named Cara a game changer and recruiter.com listed her in their top 10 company culture experts to watch. She's a 2018

Forty Under 40 recipient in Louisville, Kentucky, and she's been quoted in Forbes, HuffPost, The Boston Globe, and many more outlets. Cara conducts 50 to 100 workforce programs annually for clients from various industries that include UPS, Humana, Vistage, Cintas, Berkshire Hathaway, the American Health Care Association, and the National Precast Concrete Association, and beyond.

**Peter Margaritis:** [00:02:54] Cara's a workforce thought leader who shifts managers' mindsets so they could better lead and retain today's new workforce. Her award-winning, engaging approach makes managers more effective in their roles. And she's got a lot of great information in our interview. But before we get to the interview, Change Your Mindset is part of the C-Suite Family Radio podcast. It's an honor and a privilege to be amongst some of the more prevalent business podcasts, such as The Hero Factor with Jeffrey Hayzlett, Amazing Business Radio with Shep Hyken, and Keep Leading with my friend, Eddie Turner. You can find Change Your Mindset and many other outstanding business podcasts on C-suite Radio by going to [www.c-suiteradio.com](http://www.c-suiteradio.com).

**Announcer:** [00:03:39] This podcast is part of the C-suite Radio Network, turning the volume up on business.

**Peter Margaritis:** [00:03:44] Now, a quick quote from our sponsor.

**Sponsor:** [00:03:48] This episode is sponsored by Peter A. Margaritis, LLC, a.k.a. The Accidental Accountant. Are you looking for a high content and engaging speaker for your next conference? Do you want to deliver a story to stakeholders that will transform data dumping to engaging business conversations? Do you want to feel that the value a speaker provides your audience far exceeds the dollar value on their invoice? Then, book Peter for your next conference, management retreat, or workshop. Contact Peter at [peter@petermargaritis.com](mailto:peter@petermargaritis.com) and visit his website at [www.petermargaritis.com](http://www.petermargaritis.com). By the way, one of his Fortune 50 clients actually made the comment about the value he brings to your audience.

**Peter Margaritis:** [00:04:37] Now, let's get to this interview with Cara. Hey, welcome back, everybody. Today, my guest is Cara Silletto, who is the chief retention officer of her boutique consulting firm and an author of two books and a former interview on this podcast. So, welcome back, Cara. It's great to see you.

**Cara Silletto:** [00:05:03] Yeah. Thanks for having me back again, Peter.

**Peter Margaritis:** [00:05:06] I'm looking forward to our conversation. I love the title, chief retention officer.

**Cara Silletto:** [00:05:11] Yeah.

**Peter Margaritis:** [00:05:13] You're the retention expert, aren't you?

**Cara Silletto:** [00:05:16] Yes, we focus solely on keeping the staff you don't want to leave.

**Peter Margaritis:** [00:05:22] What about the staff that you do want to leave?

**Cara Silletto:** [00:05:26] Yeah, we don't help you keep those guys because we need them out, right?

**Peter Margaritis:** [00:05:29] Right.

**Cara Silletto:** [00:05:31] Some turnover is good turnover, Peter.

**Peter Margaritis:** [00:05:34] Right. Right. I think of Southwest Airlines as it relates to turnover and Herb Kelleher said that he would never have laid off any people. He would just let the natural process take care of itself, but would not lay off, because people were their greatest asset in their business.

**Cara Silletto:** [00:05:52] Yeah, absolutely.

**Peter Margaritis:** [00:05:54] So, let's talk about retention. What do you see out there in the world these days as it relates to retention?

**Cara Silletto:** [00:06:02] Wow. Well, staffing stability is a huge problem that's impacting businesses and their bottom line. And most executives and leaders are calling us because they just don't know how to fix it. They talk about turnover and retention in every one of their staff meetings or leadership meetings. And they have read some books or been to some conferences where they talk about workforce retention and they just can't fix the problem themselves. Also, I think a big part of that is everybody's busy.

**Peter Margaritis:** [00:06:37] Yeah.

**Cara Silletto:** [00:06:37] Everyone is so busy doing their own job. And when I work with executives, one of the things that we have to have a very serious conversation around is appropriate workloads, especially for those folks who are kind of mid-level or going up into director level-type positions because they've been there long enough. And every time somebody has left, they pick up more on their plate or as the company has expanded, that great worker who's been loyal and is wonderful at their job, they pick up more work and they pick up more work.

**Cara Silletto:** [00:07:13] And unfortunately, they're not offloading much off their plate. So, now, we're getting to a point where we're seeing a lot of burnout in the space. We're also seeing a lot of poaching, where the other firms or other companies are coming in and saying, "Would you entertain a new opportunity to get out of the situation you're in of being completely overloaded and giving your whole life to your job? People are really fed up, to be honest.

**Cara Silletto:** [00:07:42] I just had somebody the other day who is a director that had been at her company 15 or 17 years, somewhere in there. And she said, "Cara, they just keep piling on. I'm already working nights. I'm already working weekends. And they just gave me a new project for 2020 to lead." And she's just tired. She's exhausted. And she asked for more staff on her team. And at one point in 2019, they had approved another position for her to get some support.

**Cara Silletto:** [00:08:13] But then, they had a bad fourth quarter. And a few days before I met her, she had just found out that they eliminated that new 2020 position that was going to help alleviate her stressors and take some things off of her plate. So, I'm telling you, she was at wit's end and very close to calling it quits at this company that she loves and she's loyal to, but she just can't take it anymore. And she feels like her family has sacrificed enough that she can't sacrifice anymore.

**Peter Margaritis:** [00:08:47] Absolutely. It's a shame that we make these decisions to not hire based off of one bad quarter because there's always going to be a one bad quarter, it's not always going to be—but it's the investment in people, you know, just being a CPA, I love number. Well, I love numbers, but there's people behind those numbers. And if you look at a person just as a number, then you will continue to pile on, pile on, pile on versus we need to make an investment into this organization and to her team and get her some help or yeah, she'll leave. And they'll go, they'll be shocked-

**Cara Silletto:** [00:09:25] Absolutely.

**Peter Margaritis:** [00:09:26] ... "I can't believe you left."

**Cara Silletto:** [00:09:28] I know, right? Oh, they'll be blindsided by it. Even though she has been begging for help for she said the first, you know, 12 years working there were great and were manageable. But she said the last three years at this organization, she has never had a slow time that she could get her head back above water. So, for three years now, she has been drowning and begging for help and they're just not giving it to her. And this is just one example, Peter, but I hear that story over and over and over as I'm out working on retention with these companies. It's not just the young hires. It's not just the new hires. The companies are at a very real threat of losing those key individuals who are keeping their business running.

**Peter Margaritis:** [00:10:18] Right.

**Cara Silletto:** [00:10:19] Absolutely.

**Peter Margaritis:** [00:10:20] So, isn't retention and others based upon the culture of an organization?

**Cara Silletto:** [00:10:25] Sure, sure.

**Peter Margaritis:** [00:10:27] And then-

**Cara Silletto:** [00:10:27] And it's not just about the—sorry. It's not just about the executives. It is about the day-to-day. Your culture is not posters on the wall. It's not a mission statement. It's not generic core values like integrity and quality, you know, that's not your culture. Your culture is how are people treated every day? What is the workload that people have? What are the hours that people are working? What is the communication style that's happening from the company to the people and from the people to the people? How do they treat each other and talk to people? And, you know, what are the advancement opportunities?

**Cara Silletto:** [00:11:09] Is it a very stagnant organization, you just come in and just do your job and you're never going to get promoted or is it a very fluid organization where you can move to different projects and have some unique advancement over time even if a promotion isn't available? That's your culture. And that's a big part of what the organizations that we work with, they are finally realizing that, as you said, it's not just about the numbers. It's not just about profitability. And you cannot manage behind a spreadsheet. You can't make people decisions by managing on a spreadsheet. Okay? Doesn't work. So, we have to balance people and profits, but those are separate. And it can't just be done in Excel. It can't happen that way.

**Peter Margaritis:** [00:12:01] Oh, my gosh. If any of my audience is listening to this in their car, they've just fallen off the road.

**Cara Silletto:** [00:12:08] Be careful. Careful.

**Peter Margaritis:** [00:12:08] Yeah. And that, they can't manage it through Excel. But you're right, it's numbers, but there's people involved in those numbers. And it's because when I go speak and speak to accountants, one of the questions I ask, "What business are you in?" And I hear audit consulting, all those kinds of words. I say those are byproducts of the real business you're in. And they look at me, I try to get them just mad enough that they want to hit me. They had that look in their eye-

**Cara Silletto:** [00:12:40] Boom.

**Peter Margaritis:** [00:12:40] Yeah. And I go, "No, you're in the people's business first and foremost. Without people, you have no business."

**Cara Silletto:** [00:12:47] Totally.

**Peter Margaritis:** [00:12:48] So, we have to take care of those people. And I get this, the Scooby Doo, like it's not registering, but it needs to register.

**Cara Silletto:** [00:13:00] Right.

**Peter Margaritis:** [00:13:00] All organizations.

**Cara Silletto:** [00:13:01] Peter, you know, a tipping point that I think the business world hit, it occurred in August of last year that companies over the last 20 years, they had cut and cut and cut and squeezed people for everything they could get out of them, you know, every ounce of overtime they could get on a salary person and every, you know, two jobs they could squeeze into one, the whole do more with less, and we've got to be a lean organization and things like that. Now, I'm not opposed to the lean but true lean operation strategies and things like that, but you can't continue to do more with less and think that that is a sustainable model.

**Peter Margaritis:** [00:13:45] Right.

**Cara Silletto:** [00:13:45] So, in August last year, there was a group of almost 200 major US executives from major companies, I mean, Jeff Bezos is on there, the Marriott CEO was on there, all kinds of airlines, you know, these major companies, Macy's, I think was on there as well. And they said, they wrote this letter and signed this to their shareholders stating that short-term shareholder value was no longer their primary focus because they had cut and cut and cut. And they realized they could no longer have a sustainable and profitable business long term if they kept cutting everything for short-term gain so that they would hit that bonus or be able to give that dividend in that quarter.

**Cara Silletto:** [00:14:33] And so, instead, they had this letter that identified five stakeholders that are of equal value to the executives and that they feel they have to honor these five different stakeholders in order to continue successfully. So, those five were, number one, investing in employees. They talk specifically about diversity and inclusion. They speak specifically to leadership development and professional development for staff that they can't keep promoting people into positions without giving them the training and tools to be successful in those leadership roles.

**Peter Margaritis:** [00:15:14] Right. Right.

**Cara Silletto:** [00:15:14] So, that's a huge one. And of course, that's where we do most of our work with management training programs and leadership development. So, that's huge. The second one was fair and ethical treatment of suppliers. A lot of companies, again, they were squeezing and squeezing and squeezing those suppliers. And in some cases, they were running them out of business because they squeezed all the profitability out of that business altogether and their suppliers couldn't maintain that.

**Cara Silletto:** [00:15:41] Another is the community in which they operate. So, serving the community and giving back to the Little League teams. I mean, those sponsorships of a theater program for the high school and things like that, they cut all of those things yet again over the last 10 to 15 years, because, you know, they were just trying to cut the costs at that point in time. So, then of course, number four, we have providing quality goods and services to our customers.



**Peter Margaritis:** [00:16:12] Okay.

**Cara Silletto:** [00:16:12] We can't continue to cut, cut, cut, and still meet our quality expectations, right?

**Peter Margaritis:** [00:16:17] Right. Right.

**Cara Silletto:** [00:16:18] Whether you are manufacturing or a CPA firm, you have to have that high quality. And that takes, you know, investing in your people and training and systems and software and all that type of stuff. And then, the last one of those five is maximizing long-term shareholder value.

**Peter Margaritis:** [00:16:38] Right.

**Cara Silletto:** [00:16:38] So, they're not focused on the quarterly areas anymore. And instead, they're saying, look, in order for us to stay profitable and sustainable long term as an organization, we have to focus on these other four areas to get the shareholder value in the end that folks want to have by being investors or owners or, you know, any type of stakeholder in this organization. So, to me, when that letter came out in August and you can Google it, it was a Business Roundtable, is who really produced the letter and then, all of these CEOs signed it.

**Cara Silletto:** [00:17:12] So, you can Google that and it's easy to find. But when that letter came out, it was a commitment from these organizations to shift their priorities. And I'm seeing some companies start to do that going into 2020. They're adjusting their budgets for more management training, they are adjusting their budgets to start sponsoring the Little Leagues again. You know, that type of thing. And of course, there's some skepticism of who is really going to follow through and who's not.

**Peter Margaritis:** [00:17:44] Right. Right.

**Cara Silletto:** [00:17:45] But I really do think that's a turning point going into the next decade.

**Peter Margaritis:** [00:17:49] That's a huge step. And they've been talking about that for years about, you know, we're managing to the quarter, but not managing in a long-term. And I know there's been a lot of conversation in the financial community about we need to get away from this. This quarterly reporting have more of a long-term view.

**Cara Silletto:** [00:18:06] Yes.

**Peter Margaritis:** [00:18:07] And thank God, it's happening. Well, I always look at the management to the quarters as micromanaging. Nobody likes to be micromanaged.

**Cara Silletto:** [00:18:18] Right.

**Peter Margaritis:** [00:18:18] And we're managing a company based off of that. So, you're starting to see some strategies, so what else?

**Cara Silletto:** [00:18:28] Yes. So, we're starting to get some real numbers around turnover. Because a lot of times, I am working with a leadership team that the decision makers are analytical or they are trying to manage behind a spreadsheet. So then, we have to make the case of, all right, how come we're going to invest this money in the leadership team? And what is turnover really costing us? Whether it's new, higher turnover, where they're leaving within the first two years oftentimes or if it is those key people who've been there, maybe 10, 15, 20 years that are getting poached or burned out.

**Cara Silletto:** [00:19:06] And so, when you think about turnover and the costs associated with that, we can't just look at the income statement, the P&L. We can't just look at, okay, what's the recruiting cost and what's the training cost? Because there's so much more cost to turnover and impact on the business that is intangible. And it is much harder to calculate. So, if you're not taking that into consideration, then you're missing a

lot of the costs of turnover. So, you've got loss of productivity, which is harder to calculate of getting someone to replace someone else.

**Cara Silletto:** [00:19:40] Of course, you have those recruiting costs and the selection process, all the interviews you have to go through and you can put a dollar number on some of that, but what about the troubleshooting aspect that somebody who's been in the business longer or who knows your software better, they have better troubleshooting capabilities. And they even know who to call in many cases like, "I don't know the answer to that, but I know Peter knows the answer, so I could call him and get the answer in five seconds."

**Peter Margaritis:** [00:20:09] Right.

**Cara Silletto:** [00:20:09] Versus somebody else that, "I don't even know where to start with that issue or that unique problem that I've never solved before." So, really, just thinking about that subject matter expertise, what is that worth to you and even some of the costs of turnover, like putting everybody into the payroll system and the HR system and the benefits and things. And then, when they leave, one of your operational administrative folks has to take that person out of the HR system and out of the payroll system.

**Cara Silletto:** [00:20:41] And so, you'll actually find that if you have more turnover in the last few years than you had, say, five or 10 years ago, your operational people are completely overloaded and your recruiting people are way more overloaded with four times the recruiting, four times the interviews that they had just a few years ago. So, that could be why they're kind of complaining and throwing their hands up like I can't do all of this because it's the same job. Their job description hasn't changed, but the quantity of what's processing through their desk and their email has quadrupled potentially.

**Peter Margaritis:** [00:21:18] I'm exhausted already just thinking about it. Just-

**Cara Silletto:** [00:21:21] I know, right?

**Peter Margaritis:** [00:21:21] Yeah. And because I'm thinking, I know why people try to stay. They may be loyal to the company. Good job. And there's obviously the tide of money and benefits and everything, but their people do have breaking points. And to your-

**Cara Silletto:** [00:21:39] Totally.

**Peter Margaritis:** [00:21:39] ... point, you've got your high potential individuals who you're burning out, when they walk out the door, how much intellectual knowledge. And by the way, they're taking your processes and procedures. And now, they're going to another organization, probably a competitor. And, "Oh, look what I got for you. I can show you what they're doing." And I don't know, I've got this little button right over here, up here, it says, "Be good to people." But there's-

**Cara Silletto:** [00:22:10] There you go.

**Peter Margaritis:** [00:22:11] ... a company in Cleveland who created Not For Profit and I had this shirt, Be Good To People. It's that simple. But I tell you, I wear that shirt on an airplane, flight attendants go, "Oh, my God, I got to have one. I want to give it to every passenger who gets on this plane because they're not good people."

**Cara Silletto:** [00:22:33] Totally. Totally. Yeah. My sister has a shirt that says, "Be kind when possible." And on the back, it says, "It's always possible." So, yes, I love that. She gets comments on it all the time when she wears it out. So-

**Peter Margaritis:** [00:22:49] But you also brought up a point that, you know, we're promoting people. It's the old Peter Drucker, the Peter principle of promoting people to the level of incompetence.

**Cara Silletto:** [00:22:59] Yeah.

**Peter Margaritis:** [00:22:59] We haven't given them the skill set, we haven't taught, it's all soft skills, right? Especially in-

**Cara Silletto:** [00:23:05] Oh. And I hate that word. They're not soft skills.

**Peter Margaritis:** [00:23:09] Right.

**Cara Silletto:** [00:23:09] They're very critical skills.

**Peter Margaritis:** [00:23:12] Right.

**Cara Silletto:** [00:23:12] And that makes them sound fluffy, which then is hard to quantify.

**Peter Margaritis:** [00:23:17] Right. Oh, but I-

**Cara Silletto:** [00:23:17] But it's so critical that they get that.

**Peter Margaritis:** [00:23:19] Yeah, I tell them that we may call them soft skills, but would you agree they're pretty hard to master?

**Cara Silletto:** [00:23:25] Yeah.

**Peter Margaritis:** [00:23:27] Yeah. They always said, "Now, it clicks." It is hard to master so that all that you can learn on the job thing-

**Cara Silletto:** [00:23:34] Right.

**Peter Margaritis:** [00:23:35] ... now, they're investing into the people for these leadership skills, these communication skills, these strategic skills that are not technical in nature, the fluffy things. But you know what? I can teach somebody how to do accounting. I want to hire somebody who can think, who can talk, who can be good to clients, who can take care of folks. That's the person that we're looking for out there.

**Cara Silletto:** [00:23:59] Right. And there are ways to promote people who don't have that path. Okay?

**Peter Margaritis:** [00:24:06] Yeah.

**Cara Silletto:** [00:24:07] If they're not interested in managing people or can't be coached to be effective at managing people, I don't want any companies to remain in that very linear thinking of the career ladder that, "Oh, well, I'm next in line."

**Peter Margaritis:** [00:24:22] Right.

**Cara Silletto:** [00:24:22] And as soon as my boss moves up, then I'm next to go up on that, because a couple of things, one, that might not be the right person. And then, B, if you only have those types of advancement opportunities and that here I am two or three years in at your firm and I'm thinking, where do I have to go here? Because my boss above me is not going anywhere for at least five more years and I would like to grow in advance, but I can't do anything until that person goes up or off the ladder.

**Cara Silletto:** [00:24:51] So, we have to think more like, some of the business folks call it a career laddist, instead of the ladder or a career jungle gym. You know, you have to think in different directions that they can take on special projects or shift departments, you know, especially the younger folks. They are totally willing to try different parts of accounting or different departments in your organization because they're not yet subject matter experts.

**Cara Silletto:** [00:25:18] And maybe they thought they wanted to do this type of work, but really, they haven't been exposed to some other areas. And I'll tell you, they are going to bounce. They want to grow and learn. So, if you don't create opportunities for them to bounce internally, then they're going to bounce externally. They're gonna go somewhere else that gives them that opportunity. Also, with those managers that are promoted, if you see somebody has the potential to be a manager, we can't take a sink or swim approach any longer.

**Peter Margaritis:** [00:25:49] Right.

**Cara Silletto:** [00:25:49] The sink or swim is detrimental. You are setting them up for failure. The people who work under them are not going to be happy with it because it's going to take them a lot longer to be a strong leader than if you actually gave them the tools to be successful. Whether that is management coaching, whether that's leadership development classes, some of those soft skill classes around communication, conflict resolution, time management, things like that.

**Cara Silletto:** [00:26:17] It is really critical that when you do promote people into people management roles that they have those tools. But remember, you can promote them on more of a technical track. I love when I see titles like senior technical advisor, because that means that person doesn't manage people, but they've been able to grow in the company and get more money, get more seniority, get a better title, but they're more subject matter expert, much more technical person.

**Peter Margaritis:** [00:26:49] Right. It used to be the old up and out routine like an accounting firm and even in some finance departments. But now, I had a friend of mine who's a partner in a firm in Cleveland said that there was one gentleman that he was a technical whiz. And he should not have any contact with clients or he should not manage people. They recognized that it was not in his skill set. So-

**Cara Silletto:** [00:27:19] Yeah.

**Peter Margaritis:** [00:27:19] ... they created this position for the first time ever, director of something, of technical knowledge, or whatever and he is the technical person and he loves it. He's still with the firm.

**Cara Silletto:** [00:27:29] Yes.

**Peter Margaritis:** [00:27:30] Loves his job, loves it, because, you know, I think there's certain things we just can't teach each other and-

**Cara Silletto:** [00:27:39] Right.

**Peter Margaritis:** [00:27:39] Except for this one partner in the firm in Tulsa and I know she listens to this podcast, she'll kill me again. But the first time I met her, I said, "Why did you get into accounting?" She said, "Because I didn't like people. I just want to go in to my tax returns." But I said, "But you're a partner at a firm." "Oh, yeah. I learned early on that if I want to advance my career, I had to get outside my comfort zone and learn how to deal with people." And-

**Cara Silletto:** [00:28:08] Right.

**Peter Margaritis:** [00:28:08] ... she does a great job, she does any part of it.

**Cara Silletto:** [00:28:11] Right.

**Peter Margaritis:** [00:28:11] But I love that story she told me.

**Cara Silletto:** [00:28:14] Yeah, absolutely. And I'll tell you, from a retention standpoint, do not assume that just because someone has made partner that they are not a flight risk anymore, because that is changing and people are realizing. So, think about this, the folks who have just made partner in, let's say, the last five years, give or take, probably in their 40s kind of folks, maybe upper 30s, 40s type age, and I have some friends who are partners at law firms, CPA firms, engineering firms, it's happening across a lot of the professional services, and what I see happening is they are partner now but yet, you know, they don't have enough clout to be heard as much.

**Cara Silletto:** [00:29:02] They're part of the vote and part of the conversation, but they don't really have the decision making power. And then, you have these owners who tend to be in their 60s and some of them in their 70s, and they are trying to stay relevant and to stay in charge. And granted, they built these firms, right? So, kudos to them for the success they had for decades. But they built the firms and to some extent may have been control freaks or, you know, they were the boss for a long time. And I don't blame



them for it being difficult to step away. But they are pseudo-retiring or they are saying, "I'm retiring" but then, they still have their hands in everything.

**Cara Silletto:** [00:29:44] And this new group of leaders, even from, you know, not just the 40s, but up into the 50s and early 60s, the ones that are going to be there another five or 10 years, it is driving them nuts that the owners or original partners won't get out of their way and let them get new software and let them change some processes or do business development a different way than it's been done in the past. And so, they're getting very frustrated.

**Cara Silletto:** [00:30:10] And on top of that, they also are dealing with the younger millennial new folks who are coming in that are job hopping and career hopping. And they want more mentoring and coaching and professional development. And they have all these expectations. And I need your time and I have these questions and all of that. And the middle folks are going, "I don't get any hand-holding when I came in here, just figure it out", which then drives away the young people because they're not getting what they need.

**Cara Silletto:** [00:30:40] So, I am seeing more and more of those folks in their upper 30s, 40s, even 50s that are again going back to burnout. They are finally entertaining some of those recruiting calls that are coming in that they've always gotten. And so, you've got to make sure that you're recognizing those people and listening to them. You got to recognize and listen to everybody. But it's not just about the younger flight risk people, it's also about some of those key people that have been there a long time because other firms are coming after them. And they're coming after him hard saying, "Oh, you don't want to work 60-plus hours a week anymore? We'll take you. You know, we'll keep your workload a little bit lighter than that."

**Peter Margaritis:** [00:31:26] Yeah. So, hey, I thought about this situation and I think in succession planning in firms now, a lot of it is that, "I don't have the people there, I'm going to sell my firm." So, firms are being bought by other firms. And now, you've got a clash of cultures.

**Cara Silletto:** [00:31:44] Yeah.

**Peter Margaritis:** [00:31:45] And now, we're talking retention. And now, this creates some type of vortex or whatever. And people do, the original firm A buys firm B and bring them in and, "Oh, this isn't the way we used to do business, this is not how we do it". Or another case, a firm here in town had a very young staff, and I say young staff, you know, kind of in their 30s bought another firm and they had a very older staff, like in their 50s. So, there's no middle there. So, I'm going to say, "What keeps you up at night?" He goes, "My people". And was explaining this-

**Cara Silletto:** [00:32:29] Yeah.

**Peter Margaritis:** [00:32:29] ... dichotomy and he goes, "At times, I struggle with I have no middle to go to." There are two opposite ends. So, are you seeing this out in the workplace as well?

**Cara Silletto:** [00:32:41] Absolutely. And again, if you are planning a merger or have done that or selling your firm or anything like that, you have to look at the people aspect and the culture aspect, not just the numbers, right? You can't do the whole valuation on a spreadsheet. It's got to be beyond that of, is this going to be the right fit coming together and what gaps are going to exist? What kind of support do we need for the crossover there of internal communication and training and development? And what do the workloads look like?

**Cara Silletto:** [00:33:16] Because one group may be workhorses and that's what they're paid to do and that's been their culture and the norm. And the other one may have way more flexibility and more work-life balance. And then, there's going to be animosity and what does that look like and that type of thing. So, yes, you have to think about more than just the numbers when you talk about mergers and buying out groups, for sure.

**Peter Margaritis:** [00:33:42] Yeah. Or even growing your organization. I would be remiss if I do not mention a firm in Maryland, DeLeon & Stang, who I've done some

work with over the last three years and they've got a very unique culture. The partners didn't really grow up in public accounting, so they didn't pick up, as they said, those bad habits. Three years ago, they changed, you know, their mission statement. It was focused on clients and our people. They switched it and put the people first. The very next year, they came out and said, "Oh, by the way, we got some new benefits for you. One, during busy season, which this will be airing at the very beginning of busy season, there's no mandatory weekends." "Oh, no mandatory weekends."

**Cara Silletto:** [00:34:28] Yeah.

**Peter Margaritis:** [00:34:29] "And by the way, we're also going to give you unlimited paid time off." "What?" "And oh, one more thing to give you-", because one of their head offices is near DC and the traffic in Maryland, that is terrible. Other people lived up in Frederick, Maryland. And they would have to take this hour-and-a-half, two-hour drive-

**Cara Silletto:** [00:34:50] Oh.

**Peter Margaritis:** [00:34:50] ... one way, they opened an office in Frederick so those folks-

**Cara Silletto:** [00:34:56] Nice.

**Peter Margaritis:** [00:34:56] ... up there wouldn't have to. Now, when I share this story about them and I have it in my book as, well, "You know what", I asked them, I said, "you really trust your people, don't you?" Because when you trust your people, you do things like that for them.

**Cara Silletto:** [00:35:12] Yes.

**Peter Margaritis:** [00:35:13] And in order to trust your people, you have to be trustworthy yourself, as in management. So, I think that goes to—I mean, they have turnover. And then, you know, again, this is some succession planning right now, but

their people are generally energized and I just helped facilitate the strategic planning. All staff strategic planning, not just the strategic planning of the partners.

**Cara Silletto:** [00:35:39] Nice.

**Peter Margaritis:** [00:35:39] They had everyone in the firm part of the strategic planning process, which I don't know-

**Cara Silletto:** [00:35:46] Fantastic.

**Peter Margaritis:** [00:35:46] ... very many firms, but there's such great energy in that firm, why can't people replicate that?

**Cara Silletto:** [00:35:55] Yeah. No, you're exactly right. There is so much going on there. Going back to a comment you made earlier about, you know, like there's the older workers and the younger workers or these two separate groups.

**Peter Margaritis:** [00:36:09] Right.

**Cara Silletto:** [00:36:09] And what I see, we call it the trees who are deep-rooted in the organization, they've been there a long time and they can weather the storm.

**Peter Margaritis:** [00:36:18] Right.

**Cara Silletto:** [00:36:19] They're not going anywhere, really, even if you want them to. But they're not going anywhere. Okay. And then, you've got the other side, which we consider the revolving door. Now, at a lot of firms, you're not talking about 30, 60, 90-day turnover like I am with some of my clients in other industries, but you're still looking at—I mean, my CPA firm that I use, they just told me, "Oh, no, she's not here anymore. Oh, he's not here anymore."

**Peter Margaritis:** [00:36:46] Yeah.

**Cara Silletto:** [00:36:46] People that I got to know over time that were working on my team for taxes and they went to other places. So, what a lot of folks are doing, again, is coming in for a little bit of time and leaving. And they're just finding that it's not the right fit for them or that workload is too much or they won't give them the flexibility around maybe a life change like becoming a parent, things like that. One of my clients did very similar to what you were talking about, is after I worked with him, they finally decided to give up those mandatory Saturdays during tax season. And he said, "Now, you still have to clock the same amount of billable hours."

**Peter Margaritis:** [00:37:24] Right.

**Cara Silletto:** [00:37:25] It's like, "We still expect you to deliver major results during that time, but we're going to give you some flexibility around that. We're going to let you either work from home on some days or, you know, just work longer days. If you want to work 12-hour days, that's fine with us if your kid has a Saturday morning ballgame." But for decades, for decades, they had mandatory Saturdays during that time. And now, it's becoming a recruiting game of what kind of perks do you have, what kind of flexibility do you offer, things like that.

**Cara Silletto:** [00:37:58] So, yes, the trust piece is huge and we need to be managing to result not to hours. In fact, we've got to get away from that whole thinking of "Well, the first one in and the last one to leave, that's my hardest worker", because that mentality made sense back in the day when you had to be at your desk, at the office to work. You know, that was where you had access to your files and your systems and your software and everything. And today, where can we work, Peter? Where can we work?

**Peter Margaritis:** [00:38:33] Yeah. Well, I-

**Cara Silletto:** [00:38:33] Anywhere.

**Peter Margaritis:** [00:38:33] Yeah. Right. I was talking to, Brandy, your assistant the other day, she was helping me with some stuff. And thank you again. And she said, "I would call you, but I'm in a really loud coffee shop."

**Cara Silletto:** [00:38:50] Yeah.

**Peter Margaritis:** [00:38:50] Yeah. Which is fine. And I work in my office in the house, but I also work at up in there, I also work at Starbucks, and I work wherever I think my laptop will take me.

**Cara Silletto:** [00:39:00] Oh, yeah. My staff is all around the country and we have no office. Not even me. I mean, this is my home office here. And so, I do work from coffee shops. I work on airplanes.

**Peter Margaritis:** [00:39:11] Yes.

**Cara Silletto:** [00:39:11] I work anywhere, you know, in an Uber, wherever I have to get work done. And so, I just trust my people. I give them clear expectations of what I need and when I need it. And then, I let them do their job, you know, and address those issues immediately in real time if somebody is not hitting the mark or if they're going down a path that is not the direction I wanted them to. It can't be a situation where you're just doing annual performance reviews, for example, because that is not enough communication, not enough setting expectations, not checking in with people. So long as you have regular communication with your folks and regular conversations about whether they're on track or not, then you can absolutely let folks work with more flexibility.

**Peter Margaritis:** [00:40:02] I have never met anybody that said, "Oh, my God, I can't wait to get my performance review today. Whoo."

**Cara Silletto:** [00:40:07] Hey.

**Peter Margaritis:** [00:40:07] It's like, oh, my God, he went to the gallows to get the guillotine.

**Cara Silletto:** [00:40:11] Yes.

**Peter Margaritis:** [00:40:12] I've always said that, you know, just like you said, it's real time. You know, that feedback is real time. We don't need to have the annual review. Maybe just the, "Here's your compensation based off of this. Thank you very much. Take the rest of the day off."

**Cara Silletto:** [00:40:27] Right.

**Peter Margaritis:** [00:40:27] Yeah. Yeah.

**Cara Silletto:** [00:40:28] Right.

**Peter Margaritis:** [00:40:29] Yeah. So-

**Cara Silletto:** [00:40:30] Yes, absolutely.

**Peter Margaritis:** [00:40:32] So, as we begin to wind down here, I notice over your right shoulder, there's a book called Staying Power that has your name on.

**Cara Silletto:** [00:40:40] Yeah.

**Peter Margaritis:** [00:40:41] Can you tell me more about that? We talked about it in the earlier podcast, but refresh my memory as well as my audience's memory.

**Cara Silletto:** [00:40:50] Sure. So, I'm very excited that Staying Power: Why Your Employees Leave and How to Keep Them Longer, it was just released on Audible recently. So, we have it on Kindle, of course, paperback and audio book now. So, that book, it really explains the new workforce that we are trying to attract and retain. So, it

starts with the employment market and what's going on. The fact that we are in an employee's market now that everybody's hiring and your staff have a choice.

**Cara Silletto:** [00:41:23] So, we start with the big picture of that, talk about those trees versus revolving doors, who's the flight risk, then it dives into the generational dynamics in the workplace of the evolution of the four generations that we have working right now in our firms. So, we talk about the traditionalists, the baby boomers, the Gen X'ers and the millennials. And really, just how things changed over the last 50 years for our workers and how they see the employer-employee relationship differently.

**Cara Silletto:** [00:41:53] I happen to be one of the oldest millennials. So, the third chapter really dives into the millennial mindset, understanding loyalty, entitlement, this need or desire for work-life balance, and where did all of that come from? I like to tell my backstory and my childhood examples of why I have a heightened sense of entitlement and why I do not have the traditional sense of loyalty that previous generations had. So, that's pretty eye-opening for leaders. And of course, the final chapter there dives into the retention strategies. And we call that the MAGNET. To become a magnet employer is those six ways, the acronym, MAGNET, to really create a better place to work and make sure that people are great bosses and that people want to come back tomorrow.

**Peter Margaritis:** [00:42:44] Cool. So, you said the M-word there, millennial. And I apologize for the baby boomers and the negative connotation they have given it, but because I've never thought of millennials in that manner. They're just different. It's not bad, it's not wrong. They just operate differently because, hey, baby boomers, you raised them, right? Okay. So, that's there. But I-right?

**Cara Silletto:** [00:43:10] Yeah.

**Peter Margaritis:** [00:43:10] But I saw, Deloitte does an annual millennial survey report.

**Cara Silletto:** [00:43:15] Yes, they do.



**Peter Margaritis:** [00:43:16] And I believe, if I'm correct, there's a stat that said, by the year 2025, 75% of the workforce will consist of the millennial generation, globally.

**Cara Silletto:** [00:43:28] In fact, yeah, 2020 is the year that millennials will overtake the boomers and X-ers combined. So, it's going to be starting in this year, 2020, the workers under 40 will outnumber the workers over 40. But it's an interesting dynamic because the workers over 40 will still hold most of the senior leadership positions and the decision making and policy making decisions for those organizations. So, you're going to see quite a power struggle between the incoming workers and what their expectations are versus the older workers.

**Cara Silletto:** [00:44:05] And you and your leadership team are going to have to decide what changes are we going to make, where are we going to stand firm, where are we going to offer more flexibility and update some of those policies and expectations, because it's going to be a game changer. I mean, it already is. We're already seeing that over the last five years. But going into the next five years, that younger group in their 20s and 30s are really going to demand some changes. Because I'll tell you, the real difference is everybody wants to be heard. Everybody wants a great boss. Everybody would like more flexibility and a better work-life balance. The difference is the previous generations tolerated what the traditional expectations were. They tolerated. They put up with the long hours.

**Peter Margaritis:** [00:44:58] Right.

**Cara Silletto:** [00:44:58] They put up with a bad boss because of that kind of loyalty for loyalty's sake, where the new generation has option, has more competence, has more access to things. And so, they're going to say, "Enough is enough. I'm not working somewhere that is going to treat me that way or that doesn't let me be heard or that has me on a linear path. I need more options than that." So, that's the difference. Everybody would like these things, but the younger folks who come in are going to demand those options or else, they're going to go somewhere that will give them the options. I'm seeing it every day, Peter.

**Peter Margaritis:** [00:45:36] So, the next generation after is Gen Z, I think, they're referring to. My son-

**Cara Silletto:** [00:45:43] Yeah.

**Peter Margaritis:** [00:45:43] ... is of that generation. But he's taken it to a whole new level, he's the ZZZZZ, the boy can sleep. He's a sleeper. He's like his dad once in college. But that generation is now starting to enter the workforce.

**Cara Silletto:** [00:45:58] Yes. Yes. So, according to the Bureau of Labor Statistics, the millennials end at a birth year of 1996. So, it's 1981 to 1996, just according to Bureau of Labor Statistics.

**Peter Margaritis:** [00:46:10] Yeah.

**Cara Silletto:** [00:46:11] Other groups define it differently. But if you follow that, that would put Gen Z at 22 and under.

**Peter Margaritis:** [00:46:17] Yeah.

**Cara Silletto:** [00:46:19] So, especially for professional roles such as the CPA firms, they're mostly still in college. They'll just be trickling in as associates or interns and things like that. So, that's why we still focus on the millennial mindset, because that's the 23 to 39 type of age range. Most of the new hires are still in that bucket, but you need to keep your eyes on Gen Z as well. And I'll tell you right now, Peter, if you think the millennials are entitled, which we are, but if you think we are entitled, just wait.

**Peter Margaritis:** [00:46:52] Yeah. Yeah.

**Cara Silletto:** [00:46:53] Because Gen Z is, my favorite term for Gen Z is the on demand generation. They have grown up with one click will get you there.

**Peter Margaritis:** [00:47:02] Right.

**Cara Silletto:** [00:47:02] They can ask Alexa anything they want and she will immediately have the answer for them. And if they have to click a software button and it turns, that is just unacceptable to this group. You know, my five-year old son, he not only tells me which cartoon series he wants to watch on Netflix, but which episode of that cartoon series he wants to watch. So, he is used to getting what he wants when he wants it. And we need to expect that that's coming in as the next workforce right on the heels of those millennials.

**Peter Margaritis:** [00:47:41] So, I have an example of this, you know Mark Eaton, NSA member, former player for the Utah Jazz?

**Cara Silletto:** [00:47:52] Yeah.

**Peter Margaritis:** [00:47:52] His company's name is 7ft6. I had a chance to talk to him at the CSP summit at breakfast and we started talking of sports. And I looked and said, "Hey, Mark. What do you think about this load management thing that's going on in the NBA?" And I thought he was going to fall over in his chair, he goes, "Oh, my God, to the point, I can't believe that, you know, they're allowing them to manage their load and their time on the floor", he goes, "In my day, you had to drag me off of the court." And I just thought that there's another example of the difference from then to now.

**Cara Silletto:** [00:48:29] Absolutely, absolutely. And to some extent, I feel like, you know, the pendulum always swings, right? Back and forth, ebbs and flows. And in a lot of ways, I think in the work world, we have let things get out of hand as far as people's workload than what we're putting on our top performers and what those expectations are and such as the sacrifices we're expecting them to make at home, that work is the number one priority. If that e-mail comes in, you stop what you're doing at home or at the ballgame and you respond to that e-mail.

**Cara Silletto:** [00:49:03] You know, we've let that go so far and now, we're starting to see the pendulum swing back. And really, the workforce is the one that's doing it. They're saying, "Enough is enough. I cannot give you any more." So, please keep an

eye on your people. Take good care of them. Recognize the crap out of what they're doing and say, "Thank you, thank you, thank you for what you do every day for our firm and our clients and the people that we serve." I mean, you just have to show that recognition and listen to them. Be willing to make some changes as the workforce and the expectations are evolving over these next five years.

**Peter Margaritis:** [00:49:46] This has been a wonderful conversation. I love our conversations. And by the way, you can find her book, audio book, Kindle, obviously, on Amazon.

**Cara Silletto:** [00:49:57] Yes, sir.

**Peter Margaritis:** [00:49:57] How can they find you if somebody wants to reach out and talk to you or hire you for something?

**Cara Silletto:** [00:50:03] Yes. So, our website is [wereduceturnover.com](http://wereduceturnover.com).

**Peter Margaritis:** [00:50:09] Perfect.

**Cara Silletto:** [00:50:09] Isn't that great?

**Peter Margaritis:** [00:50:12] That is great.

**Cara Silletto:** [00:50:12] It's easy to find, [wereduceturnover.com](http://wereduceturnover.com). That is all we do, Peter, is focus on employee retention, keeping the people you can't afford to lose. If you need any help with that or want to get a copy of the book, just give me a shout and follow me on LinkedIn, please. I'd love to connect and stay in touch. Peter, hope to be back on the show again soon.

**Peter Margaritis:** [00:50:35] Absolutely. Thank you so very much for taking time out of your schedule. And I know our paths will cross sooner than later.

**Cara Silletto:** [00:50:42] Awesome. Thank you, sir.

**Peter Margaritis:** [00:50:47] I would like to thank Cara for her time in sharing her extensive workforce knowledge with you, my audience. Thank you for listening. And if you enjoy this podcast, please take a moment and leave a review on iTunes or whatever platform you download your podcast from. Also, please subscribe and share this episode with a friend of yours. Make today your best day.

**Announcer:** [00:51:17] Like what you just heard? Because it's [c-suiteradio.com](http://c-suiteradio.com). C-Suite Radio, turning the volume up on business.