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It's not about **the splits.** *Why agents really leave*

As you look outside of the real estate industry, you will find that the attraction and retention of quality human resource is a challenge facing every business in the world today. Having worked in the real estate industry at the branch, regional and company level, I can attest to the fact that recruitment and retention of quality agents is essential to the profitability of a company. This article will focus on determining why agents leave.

It's not about the splits.

What is the reason most agents give for leaving one company for another? Very often, perhaps more often than we care to acknowledge, they will say they are leaving because they are getting a "better deal" at company xyz. Wouldn't it be wonderful if we could define what a "better deal" really is?

It may be interpreted as commission split, when in fact, the better deal for an agent is deciding to work closer to home, where their friend Mary works, or as young people say today, "Whatever".

As a manager, it is easy to accept the "better deal" excuse, because it takes the responsibility out of your hands. After all, you don't know Mary, but why hasn't your agent suggested Mary come and work for you? As for a better deal, you certainly don't determine the commission split, the company does. If you truly believe a better split is the reason they are leaving, then you must still take a certain responsibility.

One of the biggest mistakes I see managers make is "Blaming it on Corporate". This excuse is a big negative, and defined by me as "management suicide." Due to eroding margins and other external factors, you will have to implement changes such as tech fees, transaction fees and usage of vertical partners, just to name a few, that agents will resist. Unfortunately as managers, we often do not do a good job educating and aligning agents

to the importance of these pieces. If they understand all of the expenses incurred result in a mutual benefit between agents and companies, they will accept these changes in order to remain competitive in a fast changing industry.

Here it comes! There he/she goes!

What a surprise. Whether it's the voice mail saying, "We need to meet" or worse yet walking into the office in the morning and finding a top producer's desk cleared out, we know IT happened. IT is not that your office has been burglarized, but IT is your agent's decision to leave your company for another. Let's be honest, we have all been there at one time or another, and yet, we are still sometimes surprised.

What happened?

Once again, it's not about the splits. Agents do not leave the company, they leave the manager. I may have ruffled some feathers with that suggestion, but, stay with me on this point. We are in a human resource business that is built on relationships, and can break down if a relationship fails. Retention of your agents is dictated by you and what you offer to the manager/agent relationship and is why agents join or leave an office. If agents are inspired in their current environment with valuable leadership and your insight, you will find retention is rarely a problem.

These are the two biggest mistakes that you can avoid and solutions that you can use in your daily work recruiting and retaining agents:

Problem: *We aren't aware of an unhappy agent, or worse yet ignore something we are aware of.*

In talking with agents over the years, I have always found it interesting to hear how many agents are unhappy with certain policies, yet they stay at the same office. An unhappy agent

can be appeased if a manager stays in constant communication and maintains a strong relationship with them. Given a chance to identify an agent's concerns, a good manager can deal with these issues and retain a good agent.

Wouldn't it be nice if managers identified the onset of problems and challenges, and dealt with them before they became issues? Unfortunately we do not. We know that recruiting numbers are great, mortgage capture is climbing and profitability is breaking records, and in this positive environment, the disgruntled agent does not seem so important. The situation is similar to a listing that never sells—we ignore it until it expires! The agent does not expire, but the relationship does. The agent walks out the door and we are upset? Interestingly enough, if we step back and look at the relationship, there was always something we could have done differently to change the outcome, if we had only recognized the problem.

Solution: *Feedback is critical in any relationship and the only answer is to maintain communication amongst the agent population in a bottom up fashion. The simple solution is "Business Transparency"*

Transparency is defined in the new Merriam-Webster Dictionary as transmitting light: clear enough to be seen through. Transparency applies to good leadership—make your leadership style clear enough so that your agents can see through and identify your company's total picture. With this leadership style, you will feel the constant pulse of challenges in your environment, and have the opportunity to deal with those challenges and achieve a positive outcome. Hopefully, your agents understand customer service when dealing with their clients, and they expect you to understand customer service in dealing with them...many

feel they are the customers. Agents tell other agents when they are unhappy, and it can create a virus in your office. If someone in your office is having a bad experience, circumvent a chain-reaction by calling that agent immediately and dealing with the situation. If you do not, they will tell 5 more agents and a walkout will ensue.

While feedback from agents is important, you can not rely on casual conversation. You must have a feedback loop mechanism in place that provides agents the opportunity to share openly their opinions and experiences with you and your office. It could be as simple as a quarterly survey that is designed to find out what is working for your agents and what is not. This involves asking your agents how they feel about your leadership. If at this moment you are concerned about this exercise, then you have some work to do. Put aside your doubts and embrace the challenge remembering to strive for professional excellence. Read every survey and then complete the feedback loop by responding to all of the agents' concerns. Be open to the truth rather than what you want to hear, as this experience will help your relationship grow. In many instances, the agents' feedback will be better than you may have expected. This candid approach I define as "Business transparency" will create tremendous loyalty and clarity in your manager/agent relationships.

Problem: *The agents do not see you as a valuable business proposition.*

I have heard managers say that agents stay because of an office's wonderful culture and environment. The office cultural environment is the glue that keeps agents there when everything else goes wrong, and the office manager is responsible for maintaining that environment.

What makes a good manager? Contrary to most beliefs, problem solving is not the most important trait in a branch manager and does not factor highly when an agent considers joining or leaving a company. Instead, managers who get the highest marks are the ones who inspire their agents. They want a manager

who recognizes their challenges, helps them understand the workings of the office, and encourages them to become valuable decision makers. With this insight, they feel great about the decisions they have made on their own, and see themselves as an important business entity within the company.

What real estate agents want is a business coach and leader, not a manager. Answers to transactional questions can be found anywhere, but a good business coach is a rare commodity. You may have brought someone into the business and now you expect tremendous loyalty because of the great training they received from you when they were first getting started. Loyalty lasts with agents only as long as they are receiving value from their broker. Agents spend thousands of dollars every year for coaching and training so that they can grow their business. You can provide them with these tools they need to learn and grow in their business, and they will value you as a coach, not a manager.

Solution: *Inspire your agents by being their number one business manager and coach!*

True measurement of a relationship is not in the dollars but the value that is exchanged. An agent gives value by producing for and supporting the company. In return, what value are you giving your agents? Take a look at every name on your roster and do two things. First, determine whether each agent feels they are getting value from you. If there is someone that you feel is not receiving value, then immediately make a plan of action to work with that agent. Now that you have determined who is "getting value", the next step is to define the specific components that comprise this "value" they are getting. If the value is not in coaching, training and inspiration, you have issues that you will need to focus on. Everyone wants a coach and needs inspiration and that is a big part of your job.

Constantly empower agents in their careers with business analysis and coaching to facilitate their movement to the next level. The next level can be defined quite simply as more production with the same amount of time and

effort, or the same production with less time and effort. I find that supporting agents in either scenario tends to work wonderfully and results in long term relationships. Support agents with prospecting, presentation, marketing and business analysis training. It is also important to hold them accountable by assessing their activities and results. As you transform from manager to business leader, you will witness salespeople evolving into business people and their loyalty to the office will intensify greatly.

While it all sounds simple in theory, it is also easy in practice. How many problems in your office can you address if you can determine what they are? The answer is all of them. That does not necessarily mean they all get solved, but it isn't always about a solution. Coming to an agreement is not always the intended outcome, rather, respectful discussion and understanding is often the goal. There is a wonderful old saying, "Little things mean a lot." Listening can be the little thing that means a lot.

Use your leadership and coaching abilities to be the valuable business proposition and take your agents to the next level. If the environment is good and you are injecting value into your agents business, your retention challenges will go away.

Even if you are doing a good job in your office and have a lot to offer the agents, there is no doubt that someone in your office could get a higher split from a competitor. But they have not left, because it's not about the splits. Obviously you are giving this agent value. Are you extending this same value to all of your agents? Occasionally you will come across an agent that is only happy when they are unhappy, and often has a history of moving from office to office, commonly known as a "red ant". If they are not willing to learn and not taking steps to further their business not matter what you do, the best solution may be to suggest that they may be happier working at an office where they are better understood. In fact, they may relate well to others in an environment that is not focused around growing and building business skills and forging manager/agent relationships.