

How to Retain Your Employees

Does your staff have one foot out the door? If you think so, here are some proven strategies to enhance productivity, engagement, and retention.

Throughout the recent economic downturn, low turnover rates have been a silver lining for employers. Although many companies had to let a large number of employees go, they could find consolation in the fact that they were able to keep their top performers. Yet a quick glance at two charts from the Bureau of Labor Statistics illustrates what you may already know: Voluntary turnover (turnover resulting from employees who voluntarily leave) has an inverse relationship with the unemployment rate (see Figure 1) and a direct correlation with the Consumer Confidence Index (see Figure 2).

These figures suggest that the low turnover rates we've enjoyed the last couple of years are more likely related to workforce perception of weakened job security as a result of the recession. With most economists in agreement that we've now reached the beginning of recovery, you may have cause to wonder whether your top performers are really committed to your organization or simply biding their time and preparing for their next opportunity.

Turnover Is Costly

Recruiting, training, increased compensation levels, productivity gaps, and, worst of all, losing a top performer to your competition are all reasons why employee retention is crucial to your bottom line. Beyond retention costs, the opportunity cost of a disengaged staff—the potential for productivity that your business fails to realize as a result of ho-hum performance—is immeasurable.

How can you engage your employees? How can you enjoy optimum productivity while minimizing turnover throughout this recovery and beyond? Here are some strategies that are proven to help engage your workforce, maximize performance, and minimize turnover.

Create Support By Mentoring

Establishing a leadership program will help counteract any uncertainty your staff-level employees may feel because it creates a support network that provides them with resources to help them better understand corporate culture, accountability, team interaction, and, perhaps most important, the unspoken rules of business engagement. Mentoring programs are a proven method for generating pro-

fessional interest and commitment to the firm or department.

Invest in Development

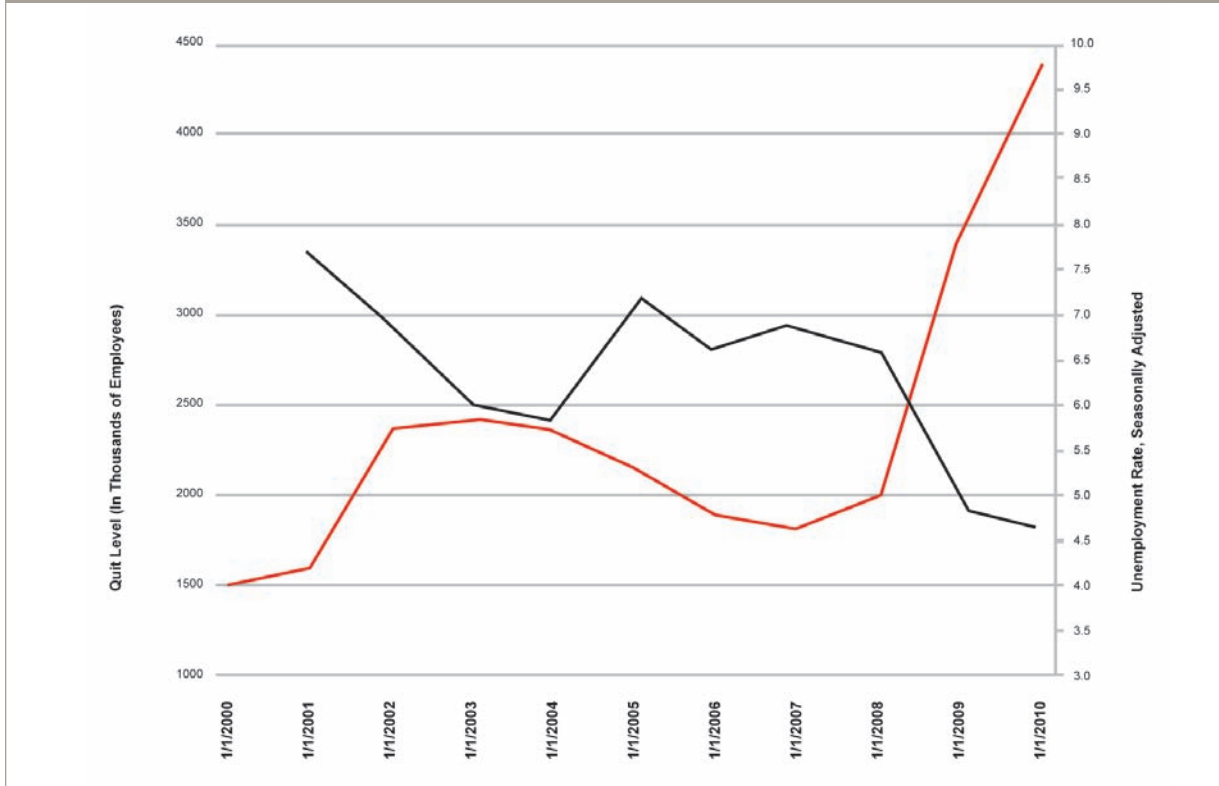
Many firms are reluctant to fund training and professional development that their employees might use to advance their career elsewhere. But your investment in employees will yield your company a high-dividend payout in the form of higher productivity, improved efficiency, and subject matter expertise. Further, an astute employer recognizes that professional development is an opportunity to enhance employee engagement and to fill skill and talent gaps that exist within the company.

There are various ways you can support the professional development of your staff. Consider offering internal training opportunities. Facilitate continuing professional education (CPE) attendance by not only paying for the classes but also allowing your staff necessary time away and reasonable travel and per-diem expenditures. Many companies also offer a tuition-assistance program with vested or performance-based reimbursement for secondary education.

Finally, don't neglect technology. Keeping up with the latest and greatest in office equipment,



Figure 1: Quit Level in Thousands of Employees, Total Nonfarm, Seasonally Adjusted vs. Unemployment Rate, Seasonally Adjusted



software, and personal devices can be a daunting capital investment, but it will provide significant returns in the form of streamlined operations, improved accuracy, and increased revenue. The fact that your staff will also enjoy being at the forefront of technology is an added benefit.

Focus on Morale

It's obvious that you should focus on employee morale, but how do you improve it? What types of things affect morale? And how can you measure it?

Communication is key. Even if you speak with your employees regularly, are you telling them what they need to know? Share your mission, vision, and goals with them. If they're expected to help you attain something, they should at least have an idea of

what it is they're working toward. Also, many employers don't include staff in discussions of company performance, assuming that they don't care or need to know. But they do care, and keeping them informed gives them a feeling of inclusion and unity that will foster accountability.

Your leaders also hold an incredible amount of power when it comes to influencing corporate culture and attitude. Examine your leaders, and foster traits such as optimism, encouragement, and motivation that will proliferate throughout all levels of your organization.

Team building will also reap benefits for your company over and above mere employee satisfaction. When a department or team works together harmoniously and seamlessly, redundancies are eliminated, and productivity is optimized. Con-

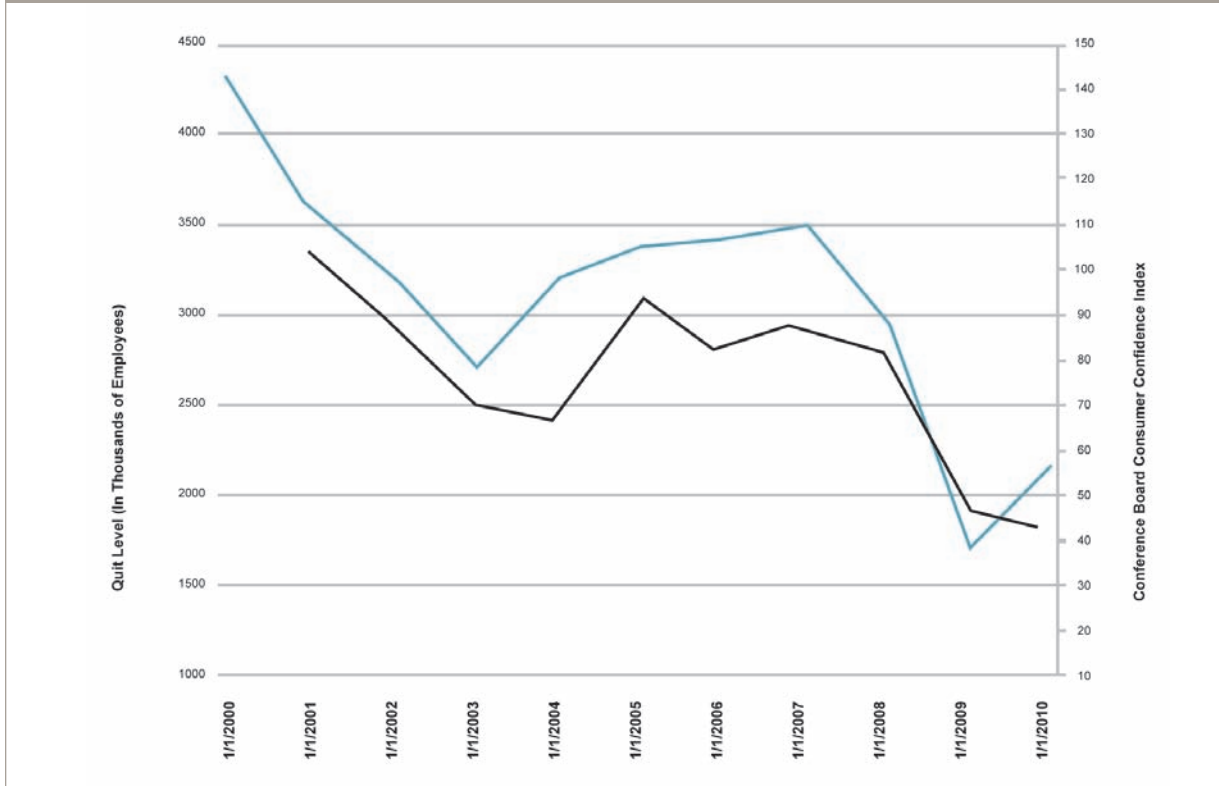
sider group outings—both recreational and work related—to build a strong sense of team unity.

Finally, challenge is a vital element to an individual's happiness. Target your top talent for opportunities that will stretch them professionally. Let them take ownership of a process or project; specifically seek out activities that they need or want to develop. Try giving them an unfamiliar responsibility so they can navigate new waters. Doing so will provide new outlets for personal development and demonstration of skill and should result in satisfaction gained from achieving something difficult.

Show Your Appreciation

Employee recognition, though vastly important, is relatively simple. As a matter of everyday inter-

Figure 2: Quit Level in Thousands of Employees, Total Nonfarm, Seasonally Adjusted vs. Conference Board Consumer Confidence Index



action, say “thank you” to employees who have gone out of their way. Regularly acknowledge the effort and stress of employees working on a lengthy project. Be sure to give them credit for work that they have done for you; never give the perception that you take credit for their efforts.

You can also create a more formal recognition program with rewards that are both financial (e.g., gift certificates) and intangible (an assigned parking spot, summer flex time, dress code perks, and accolades).

Make Performance Reviews More Meaningful

An often overlooked, but absolutely critical, element for incentive is the performance review. At a minimum, performance reviews should be conducted annually.

During the review, your employee should have an opportunity to discuss personal goals along with strategic business objectives. You should respond with clear communication of the career path and opportunities that lie ahead, as well as constructive performance feedback and an outline of your expectations. During this time, you can both work together to create a set of measurable benchmarks toward which your employee can aspire in order to advance.

Help Employees Manage Their Workload

The previous strategies will ultimately be ineffective when employees are simply overworked. To avoid employee burnout, keep your requirements reasonable, particularly during peak workloads—such as tax season and year-end—that

last for more than a few weeks. Also, encourage employees to use their paid time off. According to the ninth annual Expedia.com Vacation Deprivation™ survey, up to 53% of employees who took time away for vacation reported a renewed sense of drive, determination, and skill, enabling them to be more productive.

In addition, you can consider the use of contingent labor to offset peak workloads, fill vacation gaps, and better manage the work-life balance of your employees. In contrast to the costs of disengagement and turnover, temporary staffing costs can pay long-term dividends in terms of productivity and revenue. **SF**

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