Employee Retention – Creating Loyalty



Employees are becoming the competitive advantage for business in the modern world. Bad employees can cause a business to fail; mediocre employees can cause a business to break even. Good employees can make even a so-so business soar.

The key of course is to hire right. At least half of the personnel problems organization's face with clients today are caused by poor hiring policies. But just as important as hiring good employees is keeping good employees. Good employees often feel (and with good reasons) that their employers take them for granted. It takes focus, work and commitment to keep good employees. The idea is that the satisfied employee is less likely to search for greener pastures. The following are keys to keeping the best employees in your business:

Pay. Don't believe the 'experts' when they tell you pay is not important. Pay might not be always the most important thing but it always ranks right at the top. Pay is only a non-issue when an employee is not dependent on the paycheck or has another source of income. A general rule is that you must offer a competitive salary/wage for that position. You can offer minimum wage to an entry-level worker but you will not get entry- level skill. If you are offering below market rate you may only attract the worst of the prospective employee pool.

Benefits are similar to pay. If other like businesses are paying certain benefits you will have to also. Health and dental insurance are benefits that better employees are demanding. But you can also offer additional benefits that will attract better employees. Life insurance, 401K plans, sick and vacation days will "sweeten the pot." Some of these benefits may cost less than you think. Some businesses are also offering a 'cafeteria style' benefits plan – the employee can pick and choose which benefits are best for them.

Training. Good employees know they must be continually learning and improving their skills. They will search for a 'home' that not only encourages but provides regular training. Most businesses concentrate only on direct job-related training. Don't forget non-business training such as English, foreign languages, computers, etc. Employees also have interests that are not job related. Improving some of these interests may also help improve job performance. Don't forget to look carefully at cross training so they can learn to do other functions in the business which helps all concerned.

A Learning Environment provides a chance to learn on the job. This not only improves skills, knowledge and performance but keeps the employee's interest level high. The employee is more eager to go to work if they feel they will learn something new and improve themselves. Hit an interest and loyalty will follow.

A Career Plan will help the employee set their long term goals. If the business can assist the employee in reaching those goals the employee will become more loyal. Most businesses do not help their employees in this way.

Evaluations and Reviews should be held on a regular basis and certainly no longer than three months apart. Problems and concerns can be addressed and progress toward goals monitored. The idea in these reviews is not to build a case to force the employee to improve or to build a case so they can legally be fired. The idea is to focus on the individual as a person and how they fit in the business. Reviews should be used as a way to keep good employees and not weed out bad ones.

Regular Business Meetings are an excellent way to get employee input, make improvements and address concerns before they become problems. Good employees feel they must have input in the workplace. Meetings should be held at least once a month but weekly is even better.

Recognize Good Work with financial and non-financial recognition. Employees often feel management only addresses them when there are problems. Good employees expect to be told when they do good work.

Good Working Conditions are a must. Good employees expect their employer to be making constant improvements so the workplace is not only safe but pleasant.

Have Fun. Good, loyal employees do not want boring, drudgery-filled work. There are many ways employers can make work fun and many of these techniques cost little or nothing. This is not the same kind of fun one has on vacation. But it does add excitement and keeps attitude high and motivation up. Many recent studies are pointing to a labor shortage and a battle for the best employees. One study recently found that only one out of four applicants is actually qualified to do the job. To attract top prospects the business must offer an attractive package. Top prospects must be marketed to in a similar way a sales prospect is marketed to. The successful business of the future will not only attract the best but will create a loyalty to keep the best. The indicators are suggesting these will be the only businesses that truly succeed.