

Turning the Tables on Turnover

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The following article was originally published by New York Enterprise Report in May 2005.

So you've built yourself a great team – now learn the four key strategies to keeping your most valuable players.

"We have to talk... can I close the door?" What happens next is one of the most feared moments in growing a company. Having a key employee leave a small to midsize business can be a dramatic, if not catastrophic, event. Yet, approximately 94% of turnover is preventable. The rest, the "natural" turnover rate, is due to retirement, spousal relocation or unavoidable, life-changing events.

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Chason Hecht
President, Retensa

Small businesses have many advantages over larger employers. Most people at a firm of fewer than 100 employees are engaged and challenged; they wear many hats and can communicate with decision makers easily. The downsides of working at smaller companies often include limited benefits and lack of career path, and if ignored, they will eventually lead to discontent and turnover. However, you can reduce turnover with your employees by addressing its sources. Here is what to do.

Start Asking Questions

The only way ever proven to ensure that employees' needs are being met is to ask if their needs are being met. Even so, few businesses ever do, mostly because they are afraid of what they might discover. Most people who have lost a high performer will tell you they wish they had known there was a problem sooner. Not asking an employee how he feels about his job guarantees that you cannot do anything about it and only increases the chance that he might eventually leave. Here are three questions you can ask right now:

- What do you like about working here?
- Is there anything that is keeping you from being more successful?
- If you ran this company, what would you do differently?



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No matter how an employee answers, do not get defensive; just listen. After you have weighed the pros and cons, tell them what you can do. If there are things you cannot do, that's OK, just tell them why it is not possible at this time. Just the fact that you asked and the employee was able to express her concerns will go a long way.

Help Them Be Who They Want to Be

Developing new skills is an important part of an employee's growth. Fortunately, studies show that continuous learning benefits both the employee and the organization. If your people can contribute to the organization's success while improving their skills, they will become more loyal to the firm. If you do not have a formal program and budget set aside for employee development, you may find that your people are bored, complacent or unmotivated. It does not take much to reverse that trend — as little as \$500 per employee each year can reap great returns. When it is tied to a business goal, the time is always right to send an employee to a seminar, trade association meeting or networking event to represent the firm. To really go the extra mile, do not limit it to job-related skills. Find out what interests them and offer to pay for exercise classes or creative writing courses. Would you leave a company that paid for classes that made your life better? And if you think that \$500 is a lot, the average cost of replacing a key employee ranges from one to three times their annual salary.

Clear the Path to Success

Most people equate their job with their life and do not like being stuck anywhere. As an employer, you should be thinking about how each person can evolve into a more valuable role. Some employers of choice tell their new people to "work themselves out of their job" — that is, making what they do automatic or obsolete so that they can take on new responsibilities. To make what they are doing routine so that they can do more makes a great employer. To make what they are doing routine so that they can do it forever makes a bad employer. At smaller firms where there is little "career path," it is even more important to illustrate each employee's next responsibility. If you make it clear how each person can advance his or her role in the company, they are much more likely to stay and contribute.



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Recognize Wins, Learn from Losses - In Public

A lot of entrepreneurs admit that they don't "celebrate" enough. Why is that? The answers are varied: "Celebrating may curse future wins." "Parties are frivolous." "We do that around the holidays." "There is not enough time to have fun." The drawback is that your staff (and maybe you too) does not know when they have "won." A celebration can come in many forms: dinner, a half-day, muffins, comedy show tickets. Showing others that hard work is recognized provides incentive and a sense of appreciation. Do it twice as often as you think you should.

Alternately, what do you do when things go wrong? Probably keep it a secret, or ignore it, or even worse, yell and complain. Missed projects and missed deadlines are very expensive mistakes; why repeat them? Business owners often think they need to be perfect, which usually means that someone else has to be wrong. That environment begs for turnover. Instead, once things have settled down after a major setback, tell everyone what you could have done differently. Then ask if anyone else has ideas about what to do differently in the future. And again, do it twice as often as you think you should. This way, your employees now have a chance to contribute out of a loss, reducing the negative impact it may have had and focusing on the future together.

Understanding your People is what Our People Do.

Retensa is a leader and innovator of Employee Retention Strategies. They combine **experience** and web-based **technology** to develop, motivate, and retain a company's **best employees**. Retensa builds solutions and metrics to help firms **reduce turnover** and create a **high-performing workforce**.

To create the "*Retention Environment*," Retensa provides additional expertise in Leadership Development, Human Capital ROI, **Mentoring**, On-line Employee **Surveys**, On-line **Exit Interviews**, Executive Coaching, and **Succession Planning**. For more information about the results you can achieve visit www.retensa.com or call direct at 212.545.1280.

Is this a challenge at your Company? Give me a call:

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