

New Employee Retention

Having recruited and inducted your new employee into your company, it's now time to make sure that they want to remain with you. New employee retention is very important, especially if you consider the cost of replacing an employee. At the same time, it's important to recognise that if there are behavioral problems with an employee, you should immediately deal with those concerns.

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In the past, the search for talent ended with the signing of the offer letter. In the current environment, the mission of finding and keeping the best employees only begins with hiring. The psyche of today's employee has changed as well. Gone are the days of the gold watch after 40 years. The traditional covenant between employer and employee has been broken, and too many employees feel the company no longer has their best interests in mind. With fewer promotional opportunities available due to fewer organisational layers, upward career growth is no longer a guarantee. Therefore today's workers are reluctant to make future personal sacrifices for the company.

The average turnover rate for businesses is hovering around 15 percent. The cost associated with that turnover can be high - generally 25 percent of the individual's annual salary. Clearly finding ways to attract and retain high quality staff can be a boon to any organisation. The job market is still competitive for the "best and the brightest," which means that employers are more and more frequently vying for the same candidates.

So, what do employees want? The same things they have always wanted - challenging and stimulating work, fair pay, the tools and resources needed to do their jobs, recognition for work well done and involvement in the decisions that impact their day-to-day lives at work. The problem is that competition among employers is fierce, especially in a labour market where it is increasingly difficult to attract and retain quality workers. Suddenly just addressing the basic needs of employees isn't enough.

The Five-Step PRIDE Model

A work environment that attracts, keeps and motivates its workforce is one that gives workers a sense of pride and purpose in what they do. Managers have the sole responsibility for creating this work environment. They have to provide the leadership

that holds everything together. Leaders can improve motivation within organisations by following the PRIDE model:

- **P**rovide a positive working environment
- **R**ecognize, reinforce and reward everyone's efforts
- **I**nvolve everyone
- **D**evelop skills and potential
- **E**valuate and measure continuously
- **P**rovide a Positive Working Environment

Happy employees make productive employees. One of the most important factors is the work environment itself...how employees "feel" about the company. Sears conducted an 800-store survey that showed the impact of employee attitudes on the bottom line. If employee attitudes improved by 5 percent, customer satisfaction jumped 1.3 percent, consequently increasing revenue by one-half a percentage point. Seeking ways to motivate and build worker morale pays dividends to any business or organisation. The motivated worker is more committed to the job and to the customer. On the other hand, workers who are unmotivated vote with their feet.

Recognise, Reinforce and Reward Everyone's Efforts

Mark Twain once said, "I can live for two months on a good compliment." Money may attract people to the front door, but something else has to keep them from going out the back. Another survey showed the number one reason people quit their jobs was for a lack of recognition and praise. Compensation fell well down on the list.

Nothing can replace personal recognition and sincere appreciation. Building a motivating reward and recognition system should follow the FAST-FUN formula:

- **F**ocus on the behavior you want to reward
- **A**void bureaucratic judging and committees
- **S**implicity: do not make your program too complicated or formal
- **T**eam ownership: let the employees run it and own it
- **FUN**: make it fun, entertaining and as spontaneous as possible

Involve Everyone

Studies show that having workers involved at all levels has a major impact on improving profit and productivity. A good example is from an 800-person glass plant. They decided to start listening to their employees to find their opinion on how to staff the plant's 24-hour work shifts. The employees decided that instead of working rotating day and evening shifts, they would rather work permanent 12 hour shifts. The result - turnover increased by 50 percent.

Many companies do an inadequate job of listening to and involving their employees. A recent survey of 3,300 employees showed an increase in the number of employees who report their supervisors ignored their interests when making decisions that affect them.

If you're looking for that competitive advantage, turn to your employees, unleash their potential and benefit from their contributions.

Develop the Potential of Your Workforce

The German poet, Goethe, said, "Treat people as though they were what they ought to be and you will help them become what they are capable of being." This notion is never more critical than during the first year when new employees try to meet the expectations of their new job, learn about the company's services and customers and adjust to working with new people. They need the guidance of their manager more during their first year than at any other time in their career. Therefore it is important to meet with a new employee frequently during their first year. These meetings don't have to be lengthy, but must demonstrate that you care about them and their performance and to show that you want to help them be successful. From a business perspective, coaching sessions drive improvements in retention, as well as the performance of your organisation.

Coaching is an ongoing process designed to help the employee gain greater competence and overcome barriers to improving performance. Coaching is appropriate when an employee has the ability to succeed, but performance is not at the expected level. The goal of coaching is to create a change in behavior, to move employees from where they are to where you want them to be. Coaching encourages people to do more than they imagined they could. Investing time in employees, through coaching, shows that we care and are interested in seeing them develop.

Evaluate and Measure Continuously

Continuous evaluation and never-ending improvement are the final steps of the PRIDE model. Establish accurate benchmarks to measure the effectiveness of your strategies. Determine your goals: Do you want to decrease turnover or increase employee morale? Make sure you include financial measures to really evaluate your performance. You may wish to measure your team's effectiveness in the following areas:

Hiring processes: How accurately does your screening process predict future success? What is the turnover rate of employees with less than 6 months of experience? How quickly does it take for an employee to be productive?

Compensation/Benefits: How competitive is your compensation and benefits plan? How many of the employees that leave your company leave for higher pay or better benefits? How many of your employees feel that they are not receiving adequate compensation for their contributions?

Employee psyche: The need to explore the psyche of your employees and gain an understanding of what a satisfying work environment means to them cannot be underestimated.