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better work, better life



# Retaining key employees

Low-cost, high-impact ways to keep your top performers.



## Monday morning, 9am

You are looking forward to a productive week ahead. Business has never been better. You feel great. As you take your first sip of hot coffee, your best employee knocks on the door and asks to speak to you for a few minutes. You don't like the look on her face.

She tells you that although it has been terrific working for the company - especially working for you - it's time for her to move on "to new challenges."

You've just lost your best employee - the one person you could always count on - and you didn't even have a clue that she was looking elsewhere. Or why she was looking in the first place.

# Retaining key employees

## **Retention is the number one challenge.**

Keeping qualified employees - particularly your top performers - presents big challenges in any economy. The best people are always in demand. In the old days, you retained your best employees with more money, bigger offices and fancy titles. It's not so simple anymore and savvy companies have to rethink many of their basic employment practices to compete for talented employees.

As the workforce loses more and more Baby Boomers to retirement and the impending shortage of workers takes its toll, people - not R&D, access to capital, technology or marketing - have become the prime source of competitive advantage in virtually every profession. Retaining top talent is the highest priority for most businesses. However, it is not enough to hope your employees will stay. You must give them reasons to stay - lots of them.

## **Why is it so difficult?**

Many companies are finding that quick fixes just don't work, and that the solutions are more about how you treat employees. True solutions require a change in management's attitudes and behaviors toward employees. And we all know that change is not easy. To help you get started on developing an effective employee retention program, the workplace experts at Adecco have outlined the following techniques you can use to retain your best.

## **Hire smart.**

To better retain valued employees, it's absolutely critical to employ the right people from the start. Who you pick to work for your company - and who picks you - matters more than ever because basic compatibility is the basis for commitment.

Getting the right fit is crucial for the employer and the employee. When the fit's right, it's energizing. On the flip side, when the fit's wrong, it's costly.

- **Understand your needs.**

The first step is to develop a needs analysis for each open position. Consider the top five major responsibilities, the most critical skills necessary, educational requirements and depth of experience.

- **Become a powerful interviewer.**

The interview process is your only opportunity to make informed decisions about candidates. There are three major objectives you must achieve during the interview process:

- Make sure candidates have the skills and experience to do the job well.
- Ascertain if the candidates are willing to do what it takes to succeed.
- Be comfortable that you can manage them.

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- **Realistically “sell” your company.**  
If you love your job and your company, make sure you communicate it to potential employees. Be sure to be candid and realistic about the company and the specific job and future opportunities, but don't undervalue the benefits.
- **Set your sights higher, not lower.**  
Don't let your urgent need to hire someone force you to relax your standards and lower expectations. Hiring new, less capable employees is bad enough, but consider the effect on incumbent employees who don't like what they see happening to the company. While you think they are working diligently on that report you asked for, they are in fact polishing their resumes to pursue more selective (if not greener) pastures.

One thing that binds talented people to great (and profitable) organizations is the opportunity to do meaningful work in the company of equally-talented and inspired coworkers. By hiring less-competent, unmotivated employees, you could be creating more of a retention problem.

### **Want more hiring techniques?**

**For in-depth tips regarding techniques on hiring, contact your nearest Adecco office and request your free copy of Hiring Great Employees.**



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### **Start off on the right foot.**

First impressions mean a great deal, and the first few days of employment are critical in terms of long-term retention.

To be successful, you need to go beyond a typical orientation policy. Sure, it's important for new employees to read handbooks and review policy manuals. But the first few days of employment must be more than that for key performers. You need to work hard to identify your high-potential employees early on and ensure they are challenged and kept interested.

Senior managers should take these employees under their wings and nurture them. Invite them onto special project teams or planning sessions, or find reasons for them to make presentations at higher-level staff meetings to senior executives.

Inspire them from the very first day, and you've gone a long way toward retaining them.

### **Don't overestimate the power of pay and "expected" benefits.**

In the past, keeping and motivating employees were mainly matters of more money, good health and retirement plans, and the prospect of steady advancement. At the end of the rainbow lay a corner office, a fancy title, and eventually a nice, gold watch. Times have changed and these retention tactics simply don't work anymore.

Money is still a powerful tool to capture the hearts and minds of workers and to maximize their productivity. But the attractive power of pay and benefits is strongest during the recruitment stage.

After employees take the job, pay and benefits become entitlements to them. Other factors tend to keep people once they're hired - feeling that compensation is equitable and fair throughout the workforce, that benefits are clearly communicated and explained, and that employees are appreciated. Something a paycheck alone can't do.

Smart employers provide their workers with non-monetary rewards and unconventional benefits that add convenience to their daily lives and render them more fulfilling. Here's a short list of some benefits that companies are offering to build strong bonds with their employees:

- Company-paid gym time, babysitting, and educational seminars
- Onsite day care
- Flextime
- Job sharing
- Incentive award trips
- Recognition programs

To sum it up, you need to put first things first. Pay people fairly. Get into their hearts. And create a culture that employees want to be a part of that's greater than money.



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### Use the two most powerful words in the workplace.

What do employees want from their jobs besides a paycheck? Praise for a job well done. The most powerful way to praise an employee is also the easiest thing to do - simply say, "thank you."

Praising employees for good performance is not a new idea, but it's an enduring one that is more important than ever. Compensation is a right. Recognition is a gift. Give employees creative feedback, from little thank-you notes, to days of appreciation, and they'll have a sense that you and the company value their contributions. That's an added incentive to stay.

### No-cost and low-cost recognition.

Some of the most effective forms of recognition cost nothing at all. A sincere word of thanks from the right person at the right time can mean more to an employee than a raise, a formal award or a whole wall of certificates. Part of the power of such rewards comes from the knowledge that someone took the time to notice the achievement, seek out the employee responsible and personally deliver praise in a timely manner.

Research indicates that the type of reward most preferred was personalized, spur-of-the-moment recognition from direct supervisors. Since several studies on employees have shown that the greatest influence on job satisfaction is

the supervisor, all managers have the right ingredients for achieving a high degree of satisfaction among employees. To recognize employees, here are some ideas you can use that are extremely inexpensive, even free:

- Call employees into your office just to thank them. Don't discuss any other issues.
- Post thank-you notes on office doors.
- Ask your boss or the company's president to call an employee to thank him or her for an outstanding accomplishment.
- When discussing an employee's or a group's ideas with peers or higher management, be sure you give appropriate credit.
- Develop a "Behind the Scenes" award specifically for those whose actions are not usually in the spotlight.
- Give up your "prime" parking spot to an outstanding employee for a week.
- Make a thank-you card by hand.
- Send thank-you notes to employees' homes when they do outstanding work. Thank the family for their support.
- Designate days when workers can come in late, leave early, or wear casual clothes to the office.
- Offer unexpected cash bonuses.
- Give employees who help recruit new workers a cash bonus.



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### Guidelines for effective recognition.

There are some simple guidelines you can follow to effectively recognize deserving employees:

- **Match rewards to people.**

Recognize employees in ways they find rewarding. Such rewards may be personal, official, informal or formal, public or private, and may be gifts, notes, verbal or activities. Just be sure that you take the time to customize the recognition to the employee. A "one-size-fits-all" recognition program is a waste of time and money.

- **Match rewards to achievements.**

Effective reinforcement should be customized to take into account the significance of the achievement. An employee who completes a two-year project should be rewarded in a more substantial way than one who simply does a favor for you.

- **Be timely and specific.**

To be effective, recognition and rewards need to be given as soon as possible after the desired behavior or achievement. Recognition that comes weeks or months later does little to motivate employees to repeat their actions.

Think about this: What can you do in the next two weeks to bring fun, celebration, reward and recognition to the people you work with?

### Communicate often and learn how to listen.

"Not enough. Not accurate. Not timely." These are the complaints most often heard when employees discuss corporate communication. The lack of information can be a deciding factor in business success or failure, affecting critical decisions, important negotiations and essential relationships. Information is power in the most positive sense. Healthy organizations provide employees with important information in a timely fashion. Open, honest and timely communications cultivate employee involvement and empowerment.

- **Communicate creatively.**

It is not only important to share information throughout the organization quickly, but to deliver messages effectively. If you communicate in a fun and memorable way, you will grab the attention of your audience, engage their interest, and enliven their willingness to act.

For example, you could hold monthly "birthday breakfasts" with the CEO. Everyone with a birthday in, say, April, is invited to a no-holds-barred breakfast that month, during which the CEO talks about the company's business plans. Employees are encouraged to ask tough questions and senior managers are not invited.

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- **Develop a mission statement.**

We're all desperate to belong to something larger than ourselves. Having work with meaning - to make a difference in the work that we do - is of paramount importance to employees today.

How can employers offer work with meaning to their employees? One way is to develop a mission statement that really means something. It's hard for any employee to get excited about a mission statement that says, "We want to be the leading provider of \_\_\_\_\_ in the world." Employees need to be connected with a purpose - something bigger and better than themselves.

In your communications with employees, show how an individual's job contributes to the whole. Honor and respect people's gifts by using their talents for a higher purpose and showing them a connection. Most of us are looking for a calling, not a job. Many people feel that their jobs are too small for their spirit. Show them that they're wrong.

- **Communicate the big picture and the little picture.**

In the past, the average employee wasn't expected to know much about the big picture in terms of company strategy, profitability, the

competitive market and so on. Now companies are sharing business and financial information to help connect employees to the business and give them more concrete direction about what they should do and how they should do it.

Managers are increasingly becoming business leaders and they have a responsibility to inspire employees, then get out of the way. Employees want managers who motivate and coach them, and above all, communicate well and often. They want a more solid commitment from management to give them the information they need to get their jobs done. They want to know what their role is - call it the "little picture." If that isn't clear to each and every person, the whole relationship falls apart.

All the experts and studies say that the more you can involve employees in the direction the company is moving, the faster it will get to its destination - and everyone can share the rewards. The big theme in leadership is: give them better communication - of everything from the big picture all the way down to their role. It's essential for companies to lead with clear vision, communicate that vision and involve workers in implementing it.

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### **Listen and learn.**

To be listened to and heard by others is a sign of being respected and valued. Today's employees want a voice - to state problems, share ideas, and make suggestions. While flexible benefits are important to employees, most workers want to be respected and listened to.

What can companies do to offer a voice to its employees as a key retention strategy? Here are some options:

- **Hold 50/50 meetings.**

Employees want to be heard and understood, and they want to be told the truth with compassion. These two concepts can be balanced in 50/50 meetings where management speaks 50 percent of the time on their goals, vision and mission, and where employees have a chance to raise their own questions and issues for the remainder of the meeting. Since being in on things is extremely important for employees, the best way to curb negativity and low morale is in-depth, straightforward communication through a variety of meetings.

- **Work side by side with employees.**

Make it a point to discuss important day-to-day issues. Consider asking questions such as, "What can we do to make your job easier, and to create a better experience for you?"



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- **Conduct exit interviews.**

Go beyond vague reasons for leaving such as “more money” or “better opportunity.” Discover the real reasons your people are dissatisfied and work with existing employees to make things better.

- **Create opportunities for effective listening.**

Create new methods to listen to your employees that are consistent with your corporate culture. Suggestion boxes, employee task forces and committees, surveys and focus groups may serve as excellent strategies for more effective listening. Be prepared to act on employee issues, however. The worst thing that management can do is to ask questions without any intention of responding to critical issues.

### **Respect the fact that your employees are human beings with lives.**

Balance may well become the most sought-after “benefit” for employees. According to numerous surveys, a balanced lifestyle - not money - is the top priority identified by young job seekers.

There is a new attitude forming with Americans who are questioning such seemingly entrenched values as financial security and career success. More people are redefining success, not just in financial terms, but in quality of life.

Fifty years ago, if you used the term “work/life balance,” most business people would have looked at you funny. Back then, there was no such phrase - let alone a concept. No one acknowledged the fact that people had life issues to balance.

Fast forward to today and work may not be the number one priority for employees - it may not even rate number two. People have multiple needs and concerns: to support their families financially and emotionally, to build meaningful relationships with others, to develop other interests and hobbies, etc.

The biggest driver of employee loyalty is having managers recognize their need to balance work with home life. Recent employee commitment studies find that as workplace supportiveness of work/life balance issues increase, so does loyalty. And now that some of the bigger support issues - flextime, telecommuting and onsite childcare - are being addressed, employees are clamoring for employers to help with some of the smaller things that make their day-to-day lives easier, such as finding a local fitness club, a pharmacy that delivers, or a dry cleaner who makes house calls to the office.

It's simple - the more you recognize and address the balancing act that employees go through, the more committed those employees are going to be.



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### **Help your people grow and succeed.**

Another key factor in employee retention is providing opportunities for people to develop. Tuition reimbursement, in-house courses, free subscriptions to industry trade magazines, opportunities for promotion, and the forum to develop new skills are huge with today's key performers.

#### • **Consistent training is key.**

Providing superior training to key performers will not only help organizations get through tough times, it is also an extremely powerful recruiting and retention tool. Here are some cost-effective ways to help your people develop and advance in your company:

- Pay membership fees for a professional organization.
- Show personal interest in an employee's development and career after a special achievement, asking how you can help him or her take the next step.
- When an issue arises similar to one in which an employee has shown interest, involve that person in the discussion, analysis, and development of recommendations.
- Send employees to special seminars, workshops or meetings outside the company that cover topics they are interested in.
- Have new employees take courses that stress attitude, people skills and customer relations.

### **The golden rule of retention - have fun.**

If there is one recurring theme throughout this guide, it's that recognition is one of the most powerful and underutilized management tools. Everyone wants recognition. Everyone needs it. And recognition increases the likelihood that the action recognized will be repeated. When efforts to recognize individuals are mixed with a flavor of fun, they tend to take on a life of their own creating a more memorable experience. And isn't that the objective in recognizing someone?

Remember - adults are just grown up kids. We don't grow out of our need for acknowledgement, acceptance, fun and play. We fool ourselves into thinking that to be an adult means to be serious all the time.

When we let loose the big kid in each of us, we unleash a source of power, energy and enthusiasm that turns challenges into achievements. Reinforce these achievements with memorable acts of recognition and you have a winning combination - a workplace that motivates, empowers, and is downright fun. And that's a workplace where employees will want to stay.

Company picnics, volleyball games, even potluck meals all send a terrific signal and promote a sense of oneness. And they don't necessarily cost a lot of money.

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Here are just a few ideas to bring a sense of fun into your office:

- Have a surprise picnic for your employees in the parking lot or nearby park.
- Create a “fun” suggestion box.
- Have a party for no reason at all.
- Make sure there is plenty of light in the office.
- Hold occasional fun contests - Nerf basketball or trivia competitions, or play cooperative games such as charades and scavenger hunts.
- Work more hours during the week so there is time to socialize on Friday afternoon.
- Make it a point to smile and say hello to coworkers by name.
- Let employees take a day to go to the beach and contemplate job, life and future. Ask them to report any insights when they return.
- At an employee meeting, tape gift certificate to the bottom of chairs in the first three rows.
- Give everyone an opportunity to arrive an hour late or leave an hour early one day a week.
- Never take anything too seriously.

**To learn more about how Adecco can help you achieve more at work, please contact your local representative at 877.8.adecco or visit [adeccousa.com](http://adeccousa.com).**



A fun workplace is one where employees will want to stay.



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