

# How to Hold on to Good Employees

A company is only as good as the quality of its employees, and keeping good workers at all skill levels is getting more difficult. Millions of new job vacancies have forced growing numbers of headhunters, competitors, and understaffed firms to aggressively seek, and hire away, other companies' employees.

The media laments how quickly companies will downsize and fire workers, but the opposite is true, too. Employees today will switch jobs more quickly than they did a few years ago. Indeed, workplace loyalty is not what it was.

Of course, some employee turnover is inevitable, and sometimes a few "fresh faces" will inject energy and new ideas into a company. However, there are some people you just don't want to lose. Finding qualified new workers is a challenge, but replacing conscientious, dedicated staff is especially difficult, even for firms that can afford to pay above-average salaries. Well-managed companies take measures to keep their good people, and so should yours. Here are a few pointers for keeping your "stars."

## **1) Discover the things employees hate and get rid of as many of them as possible.**

Even ideal jobs have their negatives, and everyone from the CEO to the janitor has to deal with a few aggravations, do tasks they dislike, etc. However, smart bosses always seek to know what irritates and annoys their workers before the irritants and annoyances provoke them to leave the company.

Periodically, ask all employees for their honest opinions, both individually and in groups. Unfortunately, the prospect of getting feedback from the staff scares many bosses, and "gripe sessions" can be unpleasant. However, what you learn can help you resolve long-standing problems and end unpopular practices. Here are some useful questions to ask:

- What do you like about your position with this company?
- What do you dislike about your job?
- What can this company/department do to make this a better place to work?
- What practices and policies do you find disagreeable?

For these meetings, establish a rule that every gripe or problem must be accompanied by a solution. Some complaints and suggestions will be unreasonable, unfair, or unworkable. You will not always like or agree with what others say. However, as long as people are not rude or abusive, let them speak. Listen closely. Have someone take notes during the meeting.

Take the best ideas and implement them immediately. In other words, do something! Most people are fair-minded and reasonable, and they understand that their bosses can't fix every problem and resolve every gripe. What matters is that they see a sincere, ongoing effort to improve the work environment.

If you suspect that some employees may be intimidated or less than frank in a face-to-face meeting, take an anonymous survey, instead. People will often share their feelings more openly if they do not have to worry about how others will react to their comments. What you learn may shock you.

It is never too early or too late to go on "witch hunts" for unresolved issues and complaints. Remember, a lack of communication will make even the best workers cynical, resentful and resigned. Seeking honest feedback not only improves morale, but it also reduces the odds that good employees will look for another place to work.

## **2) Give emotional rewards generously for good work.**

In his classic book *How to Win Friends and Influence People*, Dale Carnegie said that half the world goes to bed hungry every night, and about 90 percent hunger for something else: a sincere compliment. Never underestimate or downplay the importance of psychological compensation. A word of thanks and a few kind words from the boss mean a lot to workers at all levels.

Well-managed companies recognize quality work by bestowing plaques, trophies, awards, commendations in the company newsletter, certificates, employee-of-the-month parking spaces, etc. Such rewards take little time and money, so give them often. Remember, firms that want to keep their top people shower them with positive attention, and workers who feel truly appreciated tend to be more loyal.

## **3) Compensate them properly.**

Praise and recognition are important, but there is no substitute for money. Underpaid employees are in danger of becoming ex-employees very quickly if another firm is willing to pay them more. Employees at all levels who do better work or add more value should always, always, always earn more money than better work or add more value should always, always, always earn more money than their peers in similar jobs, regardless of experience.

One of the biggest mistakes a company can make is to pay everyone equally. "Compensation socialism" sends two very bad messages. First, average performers will see no benefit to improving their work. Also, when good employees know a mediocre peer is equally compensated, the understanding is that the company either does not notice or value their good work. Such perceptions are always counter-productive.

## **4) Clamp-on the silver handcuffs. Delayed compensation is a very effective tool for keeping good employees.**

Give stock options, year-end bonuses, and profit sharing only after they have worked for a specified period of time. The knowledge that they will lose money for quitting sooner rather than later is a strong incentive for good workers not to leave.

## **5) Be as flexible as possible.**

Flexibility in scheduling is a premium benefit that will help keep good workers, and smart employers are as accommodating as possible. For example, some staff may welcome overtime work, but an employee with small children may not. Consider giving your top people first pick in accepting or avoiding overtime work, or selecting their own schedules.

Work options such as unpaid leave can be a godsend for those who volunteer or have to care for sickly relatives. Some may prefer telecommuting or working from home twice a week. Ask all employees about the work options they prefer, but accommodate the best employees first. (Of course, make sure you avoid any appearance of discrimination.)

### **6) Remove abusive people fast!**

Nothing will motivate good employees to leave like an abusive co-worker. Quickly replace anyone who engages in behaviors that are bigoted, sexist, offensive, or manipulative. Indeed, any firm that tolerates the mistreatment of employees not only risks losing them, but invites a lawsuit as well.

### **7) Promote only the best employees, regardless of experience.**

Never elevate less qualified candidates in order to keep good employees at jobs in which they do well. Such practices are always unpopular, as are favoritism and cronyism. Promotions not based on merit will only anger good employees and make them want to leave.

### **8) Try to talk them out of quitting.**

When quality workers announce that they want to resign, stop whatever you are doing at once. Close the door, hold the calls, postpone the meeting, and talk to them. Beg, cajole, plead, or do whatever it takes to find out why they want to leave the company. In most cases, departing employees have firmly decided to quit, and nothing you say will change their minds. However, if you can find out why they are leaving, you may be able to "right a wrong," fix a problem, or make a counter-offer that will cause them to reconsider the decision to resign.

A company can generously compensate its employees and be a positive, enjoyable place to work, yet some people will still leave. Nevertheless, make a serious, ongoing effort to keep your good employees. Taking them for granted is always unwise.