

Top Ten Ways to Retain Your Great Employees

Why Retention? Four Tips for Employee Retention

By [Susan M. Heathfield](#), About.com

Key employee retention is critical to the long term health and success of your business. Managers readily agree that retaining your best employees ensures customer satisfaction, product sales, satisfied coworkers and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning. If managers can cite these facts so well, why do they behave in ways that so frequently encourage great employees to quit their jobs?

Employee retention matters. Organizational issues such as training time and investment; lost knowledge; mourning, insecure coworkers and a costly candidate search aside, failing to retain a key employee is costly. Various estimates suggest that losing a middle manager costs an organization up to 100 percent of his salary. The loss of a senior executive is even more costly. I have seen estimates of double the annual salary and more.

Employee retention is critically important for a second societal reason, too. Over the next few years while Baby Boomers (age 40 to 58) retire, the upcoming Generation X population numbers 44 million people (ages 25-34), compared to 76 million Baby Boomers available for work. Simply stated: there are a lot fewer people available to work.

Employee retention is one of the primary measures of the health of your organization. If you are losing critical staff members, you can safely bet that other people in their departments are looking as well. Exit interviews with departing employees provide valuable information you can use to retain remaining staff. Heed their results. You'll never have a more significant source of data about the health of your organization.

I've provided [retention tips in earlier articles](#), but will add ten more retention tips to your arsenal with these top ten ways to retain a great employee.

- Management thinkers from Ferdinand Fournies ([Why Employees Don't Do What They're Supposed to Do and What to Do About It](#)) to Marcus Buckingham and Curt Coffman ([First Break All the Rules](#)) agree that **a satisfied employee knows clearly what is expected from him every day at work**. Changing expectations keep people on edge and create unhealthy stress. They rob the employee of internal security and make the employee feel unsuccessful. I'm not advocating unchanging jobs just the need for a specific framework within which people clearly know what is expected from them.
- **The quality of the supervision an employee receives is critical to employee retention.** People leave managers and supervisors more often than they leave companies or jobs. It is not enough that the supervisor is well-liked or a nice person, starting with clear expectations of the employee, the supervisor has a critical role to play in retention. Anything the supervisor does to make an employee feel unvalued will contribute to turnover. Frequent employee complaints center on these areas.
 - lack of clarity about expectations,
 - lack of clarity about earning potential,
 - lack of feedback about performance,
 - failure to hold scheduled meetings, and
 - failure to provide a framework within which the employee perceives he can succeed.
- **The ability of the employee to speak his or her mind freely within the organization is another key factor in employee retention.** Does your organization solicit ideas and provide an environment in which people are

comfortable providing feedback? If so, employees offer ideas, feel free to criticize and commit to continuous improvement. If not, they bite their tongues or find themselves constantly "in trouble" - until they leave.

- **Talent and skill utilization is another environmental factor your key employees seek in your workplace.** A motivated employee wants to contribute to work areas outside of his specific job description. How many people could contribute far more than they currently do? You just need to know their skills, talent and experience, and take the time to tap into it. As an example, in a small company, a manager pursued a new marketing plan and logo with the help of external consultants. An internal sales rep, with seven years of ad agency and logo development experience, repeatedly offered to help. His offer was ignored and he cited this as one reason why he quit his job. In fact, the recognition that the company didn't want to take advantage of his knowledge and capabilities helped precipitate his job search.

Here are six additional employee retention tips. Here are the [first four tips and a discussion](#) about why retention is critically important.

- **The perception of fairness and equitable treatment is important in employee retention.** In one company, a new sales rep was given the most potentially successful, commission-producing accounts. Current staff viewed these decisions as taking food off their tables. You can bet a number of them are looking for their next opportunity.

In another instance, a staff person, just a year or two out of college, was given \$20,000 in raises over a six month time period. Information of this type never stays secret in companies so you know, beyond any shadow of a doubt, the morale of several other employees will be affected. For example, you have a staff person who views her role as important and she brings ten years of experience, an M.B.A. and a great contribution record to the table. When she finds she is making less money than this employee, she is likely to look for a new job. Minimally, her morale and motivation will take a big hit. Did the staff person deserve the raises? Yes. But, recognize that there will be impact on others.

- When an employee is failing at work, I ask the W. Edwards Deming question, "What about the work system is causing the person to fail?" Most frequently, if the employee knows what they are supposed to do, I find the answer is time, tools, training, temperament or talent. **The easiest to solve, and the ones most affecting employee retention, are tools, time and training.** The employee must have the tools, time and training necessary to do their job well – or they will move to an employer who provides them.
- **Your best employees, those employees you want to retain, seek frequent opportunities to learn and grow in their careers, knowledge and skill.** Without the opportunity to try new opportunities, sit on challenging committees, attend seminars and read and discuss books, they feel they will stagnate. A career-oriented, valued employee must experience growth opportunities within your organization.
- A common place complaint or lament I hear during an exit interview is that **the employee never felt senior managers knew he existed.** By senior managers I refer to the president of a small company or a department or division head in a larger company. Take time to meet with new employees to learn about their talents, abilities and skills. Meet with each employee periodically. You'll have more useful information and keep your fingers on the pulse of your organization. It's a critical tool to help employees feel welcomed, acknowledged and loyal.
- **No matter the circumstances, never, never, ever threaten an employee's job or income.** Even if you know layoffs loom if you fail to meet production or sales goals, it is a mistake to foreshadow this information with employees. It

makes them nervous; no matter how you phrase the information; no matter how you explain the information, even if you're absolutely correct, your best staff members will update their resumes. I'm not advocating keeping solid information away from people, however, think before you say anything that makes people feel they need to search for another job.

- I place this final tip on every retention list I develop because it is so key and critical to retention success. **Your staff members must feel rewarded, recognized and appreciated.** Frequently saying thank you goes a long way. Monetary rewards, bonuses and [gifts](#) make the thank you even more appreciated. Understandable raises, tied to accomplishments and achievement, help retain staff. Commissions and bonuses that are easily calculated on a daily basis, and easily understood, raise motivation and help retain staff. Annually, I receive emails from staff members that provide information about raises nationally. You can bet that [work is about the money](#) and almost every individual wants more.

Take a look at your organization Are you doing your best to retain your top talent? Employ these ten factors in your organization to retain your desired employees and attract the best talent, too.