

A Guide To Improving

EMPLOYEE RETENTION

In The Modern Age



A Publication of Catherine Palmiere
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About The Author

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Catherine Palmiere is the President of Adam Personnel, a staffing company based in NYC. She has worked with hundreds of corporations and thousands of applicants, and is a sought after speaker on hiring and professional development. She can take all the pain out of your hiring process – only sending the two or three BEST candidates for your position.



Catherine holds several industry certifications including SHRM-CP, Certified Employment Interview Consultant to Certified Professional Behavioral Analyst along with an M.B.A. in Management. She is also a member of the Society of Human Resource Management, and Career Directors International, The American Staffing Association, along with being listed in numerous editions of Marquis Who's Who. Catherine is a native New Yorker who enjoys exercising and making sure she laughs at least three times a day, both of which helped her complete two NYC Marathons.

Catherine has been quoted in numerous on-line and in print articles pertaining to staffing and recruitment. She is the co-author of the book "Unlocking the Door to Your Career" Second Edition, October 2010 Pearson Publishing. In addition to her staffing and recruitment agency, she conducts workshops and seminars at colleges and training schools on Career Development. She is currently an Adjunct Instructor, in the O'Malley School of Business at Manhattan College.



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CHAPTER ONE

THE CRISIS OF EMPLOYEE RETENTION



The Crises of Employee Retention

Employee retention is one of the most costly challenges that businesses face today and while many companies pay attention to it, not many take a truly active role in improving it. While they may take some steps in order to keep strong (or even average) employees from leaving, there often isn't a strategy in place to bolster retention. The result is that American business have been struggling to keep their employees.

Retention by the Numbers

In 2013 the “quit rate” was the highest it has been four years, according to The Denver Post. In fact, turnover rates have increased from 4,079 in October 2012 to 4,249 in October 2013, according to the U.S. Bureau of Labor Statistics (BLS). The reason for this is the upswing in the economy. When the recession first hit, many businesses stopped many of the practices that help to encourage retention, such as pay raises and benefits. Employees accepted this because they really didn't have much in the way of options. However, while many businesses are still in “recession mode,” employees are looking around and seeing that they finally do have some options, which prompts them to leave.

How Poor Retention Impacts Businesses

High rates of employee turnover can be a sign of a problem and can create instability in the culture of a company. As it continues, it can pose problems within the organization. When employees leave a corporation regularly, it becomes a greater problem that affects more than just one or two accounts. Frequent employee turnover can affect productivity and work quality as current employees begin to wonder if their position is the next to go; it can even affect a company's reputation as word gets around that employees are leaving that



business frequently.

Human resources departments, hiring managers, and CEOs are right to examine the issue of employee retention, because the problems that a low retention rate causes are real.

- A high turnover rate means that jobs aren't getting done. When turnover occurs, workloads are often shifted to other employees who already have a variety of tasks to complete.
- Training a new employee takes time and has an implicit cost to the company. Training takes a knowledgeable and skilled employee away from their duties as they work with a new employee to introduce the particular rules of the workplace and the tasks that the new employee is to complete.

Another issue that businesses often struggle with is what approach to use to improve retention. The most common problem is that, in order to improve retention, businesses focus too much on pay and not on the other factors that increase retention. I will talk more about this in the next chapter.



CHAPTER TWO

THE MONEY MYTH
WHY SIMPLY PAYING
EMPLOYEES MORE DOESN'T
HELP WITH RETENTION



The Money Myth

Why Simply Paying Employees More Doesn't Help With Retention

It is a long-held belief that paying employees a high wage will keep them happy and keep them from leaving. This idea worked well in years past, but for companies doing business today it's an outdated concept that doesn't necessarily work for every employee. In the past few years, employee satisfaction has become less about money and more about something more intangible – employee satisfaction.

Money Isn't Everything

A survey by Drake Beam Morin, in 2000, noted that human resource managers cited pay fourth on the list of reasons that employees gave when they decide to leave a job. ¹ The survey revealed that the top three reasons cited for leaving a job were:

- Lack of a career path.
- Lack of advancement opportunities, and
- Long working hours.

The lesson here is that well-performing employees are motivated by different factors. Compensation is a common and important factor, but raising salaries doesn't always lead to happy employees in the long term. Employees have other goals, such as moving up with the company and learning new skills. They also are concerned about their work/life balance. On top of that, having a great work environment can go a long way in keeping top talent.

Money Doesn't Buy Happiness

Annually, Great Place to Work releases a report based on employee



surveys that identifies the key factors that keep employees happy. Money doesn't even make it into the top three reasons that employees stay. The top three reasons were:

- Trust
- Pride
- Enjoyment

While all employees must earn enough money to survive and live comfortably, everyone wants to know that they are respected and supported in their tasks. Good employees care about their work and like to know that they are contributing, valuing praise and much as, if not more than, the monetary reward. When their work comes with is a sense of accomplishment, it motivates them to work harder and take pride in their job.

Incentive Programs Don't Always Work

Employee Retention Strategies raises the idea that incentives have been overused and can actually harm employee quality.² As an employer, would you prefer to know that your employees are working hard because they take pride in their work, or because they know they'll get a prize if they complete the task? If your answer is the second option, employees probably realize this and worry less about the quality of their work and more about getting the job done fast. This leads to poorer quality work and can hurt the bottom line.

1 See "Dispelling the Myths about Employee Retention"

http://www.hr.com/SITEFORUM?&t=/Default/gateway&i=1116423256281&application=story&active=no&ParentID=1119278077613&StoryID=1119643256218&xref=http%3A//www.google.com/url%3Fsa%3Dt%26rct%3Dj%26q%3D%26escr%3Ds%26source%3Dweb%26cd%3D4%26ved%3D0CFQQFjAD%26url%3Dhttp%253A%252F%252Fwww.hr.com%252Fhr%252Fcommuni ties%252Fstaffing_and_recruitment%252Fdispelling_the_myths_about_employee_retention_eng.html%26ei%3DUGXgUuyE FMO7oQT3wYKgDA%26usg%3DAFQjCNG21U88VNjsBTar-vljO4y5I9Y5xw%26bvm%3Dbv.59568121%2Cd.cGU

2 See "Myths about Employee Morale Prevent Companies from Achieving Retention Success"

<http://www.employee retention strategies.com/strategies/myths-success/myths>



CHAPTER THREE

HOW TO BUILD A CULTURE OF RECOGNITION



How to Build a Culture of Recognition

When employees feel like they are a valued member of a team, it can be easier for companies to avoid the problem of voluntary turnover. If you are creating a strategy to improve retention, then one of the things it should strive to do is foster a workplace atmosphere where employees feel that they are valued and that their work is recognized.

A 2013 survey of 6,000 HR professionals, by the Society for Human Resource Management/Globoforce noted that 81 percent of companies surveyed have employee recognition programs in place. The majority (83%) of those respondents say their employees are motivated by recognition that includes a reward of some sort, but that reward must be carefully thought out.¹

Steps to Building a Strong Recognition Program

Building a strong recognition program can bring your employee morale up. There are several steps that can make your recognition program the best it can be, with employee buy-in. Consider these steps:

- **Discuss the potential program with your employees.** Get their opinion on the type of incentives that they'd like to see in the program. Implementing a program that includes a wide variety of rewards may give the broadest results. As the SHRM/Globoforce survey noted, there is a section of the workforce that strives for recognition that doesn't include specific incentives. Those who strive to earn the respect of their coworkers and managers may not be as interested in pay increases as incentives, although the employee motivated by money will likely work harder if they know there's a bonus waiting.



- **Create an employee recognition committee.** Put that committee in charge of determining the behaviors that should be singled out for recognition. This group should have a role in creating the policies that guide your company's recognition program, although management would have control over the implementation.
- **Tie recognitions to behaviors that support your company's goals and strategies.** Consider what you want your company to be known for. Then, as you develop the policies surrounding these recognitions, keep those goals in mind. One of the best reasons to reward someone is that they went above and beyond to provide quality service to customers, showing your company in a positive light.
- **Schedule recognition events regularly.** At these events, deliver the reward to each individual who has gone out of their way to provide great service.

Another way to create a positive atmosphere where employees feel they are valued is to give genuine positive feedback regularly and provide a more challenging workload for employees who perform well. Often, challenging an employee and providing them with more complex projects can show that as an employer, you value their work and trust them. These strategies may be better for work quality and productivity than a specific incentive program.

If employees feel that their hard work is recognized, it's more likely that they will take pride in their work and enjoy the job more. This, in turn, leads to better productivity and a lower rate of reputation-damaging employee turnover.

[1http://www.shrm.org/Research/SurveyFindings/Articles/Pages/Globoforce-Employee-Recognition-Program.aspx](http://www.shrm.org/Research/SurveyFindings/Articles/Pages/Globoforce-Employee-Recognition-Program.aspx)



CHAPTER FOUR

**CREATING AN ENVIRONMENT
THAT KEEPS GOOD EMPLOYEES
(AND ATTRACTS NEW ONES)**

Creating an Environment That Keeps Good Employees (And Attracts New Ones)

No two offices are alike. Many things vary: the layout of the office, the atmosphere, even the number of employees. But, when the work environment is an engaging one, you'll notice that there are similarities: workers enjoy what they're doing; they like being at work and they get more done.

While an employee recognition program is one component of a positive work environment, there are other pieces as well. Sometimes, something as simple as the way an office is laid out can have a huge impact on employee satisfaction.

Tips to create an engaging, positive work environment

If you want your employees to be happy at work, there are a few ways that you can make your business a positive place to work. Consider the following:

- Create a flexible workspace. Have open space and cubicles in your office to allow employees to collaborate with others, but also to have the space to focus when they need it.
- Offer training and professional development opportunities. When employees feel they have a path to advance, it breeds loyalty. Loyalty and opportunities to better oneself can be big selling points when you're hiring.
- Trust your workers. Allow employees to make decisions and move forward. When an employee feels that you trust them to make decisions, it helps them to take ownership of the project and will



help encourage them to do their best.

- Show your workers they can trust you. If you want your employees to trust you, don't talk about employees with other employees. Be discreet when an employee brings you their concerns.
- Get current employees involved in the hiring process. They'll feel they have your trust to speak with potential hires. You may even learn more about the candidate as they interact with current employees.

A positive work environment and happy employees can speak volumes for your company at hiring time. If your employees are happy, the word gets out. When it comes to attracting quality hires, training, advancement opportunities, and employee recognition programs are all important things that are worth highlighting.



CONCLUSION



Conclusion

Companies of all sizes, no matter the industry, must deal with the issues of employee retention – both voluntary and involuntary. Creating a happy, productive workplace will go a long way toward increasing employee satisfaction.

Encouraging Employees to Stay

There are several ways that executives can help to create a culture where employees want to work and are happy. The first is by treating workers with respect and trusting them to do their jobs without micromanagement.

Building a program that recognizes employee achievements and situations where specific employees have gone out of their way to make a customer or client's experience a positive one is a great motivator for many employees. Regular recognition of employees who have achieved their company goals is a great way to pat your employees on the back.

Creating opportunities for advancement and training is yet another way that you can ensure your employees are happy with their jobs. Lack of advancement opportunity is one of the most-cited reasons that individuals choose to leave their jobs, as stated in the first chapter of this e-book. The knowledge that one can build their skills and work toward an advancement goal can be quite the motivator.

Policies that align with company standards and managers who encourage employees to take ownership of the projects that they work on are keys to developing employee loyalty.



A positive atmosphere attracts new talents

When it comes to hiring, a workplace where people are happy to be there is a strong asset. Happy employees talk to others and spread the word that your company is a good place to be.

If employees are happy and take pride in their work, they are bound to stick with the company. Building this kind of loyalty and worker satisfaction leads to a lower rate of turnover. This means that human resources personnel and other executives spend less time searching for new employees and on initial training.

In the end, a low rate of turnover means less money spent, happier customers, and a more productive workforce.



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