

EMPLOYEE RETENTION: YOUR KEY TO BOTTOM LINE SUCCESS

Every time you lose a valued employee, you're losing money right off your bottom line. It makes sense to stabilize your workforce as much as you can, so you can generate a stronger profit.

Human resources? Bottom line? Yes, they are connected. When you have to replace an employee, it can be costly. First of all, you may have to pay overtime or hire temporary workers to fill the void. Production becomes more expensive, if you can even keep up with what has to be done. Falling behind costs money . . . and may cost you a customer.

Recruiting, selecting, and hiring a new employee takes time and money . . . neither of which you have a lot of. Then, when you do find somebody that you hope will work out, you have to invest in training time and some team building to move that new employee into a position of productivity. Meanwhile, the business keeps moving. There's no way to push a "pause" button while you adjust.

Benefits of Stability

Most of the benefits of workforce stability are obvious. Let's explore a few others.

When you have a stable workforce--few, if any, people leaving unexpectedly--you also enjoy a good morale. People know each other, they're comfortable with each other, they work well together. This kind of relationship can be powerful when there's a rush order to get out or when there's a problem somewhere in the manufacturing process. People are more likely to pitch in and help each other when they know each other and believe in mutual support.

Continuity is priceless. When people have been around for a while, there's a sort of flow that keeps everything moving. People know where things are, how things are done, how to fix the little problems that pop up every once in a while. There's a sort of corporate "memory" about these things that makes operations a lot more efficient. Confidence is higher, and therefore productivity is also strong.

You and your managers and supervisors don't have to worry about hiring and training new staff all the time. You can invest your time in generating orders, communicating positively with your customers, and working more closely with your people. Training dollars can go toward improving skills of people who know the business and want to strengthen their ability to make a contribution . . . and to earn higher rewards.

Hire Right to Begin With

Silly as it sounds, the best way to keep good people is to hire good people. You would be amazed at the number of companies that just hire warm bodies to fill positions. They don't care how talented the people are or how interested they are in the company's work. These employers just look for bodies, expecting people to leave through the ever-spinning revolving door.

It makes no sense to hire someone who's going to leave in a few hours, a few days, a few weeks, or even a few months. Avoid these applicants. Concentrate on the people who "fit" your company, the people who want to be there. Hire those who are looking for a career, not just a job.

Yes, it may take a little longer to find the right people. It's worth the time and the trouble to screen properly to get the people who are best suited. We recommend use of screening tools like "Check-Start" to select the right applicants. Don't invest money in people who are not going to be a loyal, dedicated part of your team. Make it more of a privilege to work for your company. It works for the US Marines: they're the only military service today that meets its recruiting quota--"looking for a few good men." The best ones want to join the Marines because of the organization's reputation. You can create the same reputation in your field, in your community.

Care About Your People

When someone works for you, it's like being part of a family. Show that you care about them. Recognize their needs, as well as your own. Find a balance between what people want in their lives and what you need to run the company. Let's look at a few ideas:

Flexible work schedules. Consider how you can be flexible in working hours so people can work when they want to. Some workers may want to start early and leave early. Others may want to start later and work later. Can you accommodate them?

A number of companies are installing compressed work weeks. People work longer each day so they can take a day off every week or two. If people work four ten hour days, they can take a day off a week. Make that day a Monday or Friday and your employees get three day week-ends. Nine hour days make it possible to take off a day every other week.

Stagger who is on what schedule and you can have some people taking off Fridays and others taking off Mondays. This arrangement will allow you to stay open and continue operating five days a week.

Rewards for great performance. When people do a great job, let them know. Emphasize the positive. Rewards can be in the form of cash bonuses--\$20 can mean a lot--or non-cash rewards. The key is to set standards, then reward people for meeting or exceeding the expectations.

Do your people like to go to movies? Buy movie tickets wholesale from a nearby theatre. Give them to your people in appreciation--we recommend giving four tickets. They will value the tickets at retail price.

Bring in pizza, ice cream, and other food for lunches and for breaks. Call spontaneous surprise breaks and buy soft drinks for everyone. Give a little and you'll get a lot in return. How about a company picnic--bring the family? Is there an amusement park nearby that would be a good place to gather? Have the company buy tickets for all the families--you can get them at a reduced price as a group purchase. Enhance the value of the experience by buying company tee shirts for everyone--even kids.

What can you do around Christmas? Santa's schedule always has room to arrange another visit to a company's family party. [See the story about Leisure Craft/USA Display in our book Lean & Meaningful.] What will you do for Halloween--a costume contest? Yes, you can do this kind of stuff in a manufacturing environment.

Appreciate the need to have a place to get away from work for a few minutes. An air- conditioned break room, a picnic table under a shade tree. Well worth the investment.

Make Training Count

Research is showing that people want to learn and grow. Consider ways to offer personal and technical training to your employees. It's an important benefit of working for a good company, and it bonds people to the company.

Consider more than just job-related training. Work with your employees who might not have finished high school. Can you help them earn their GED--company paid? The higher self-esteem will pay off for you. Literacy training, classes in English as a second language, and brown-bag lunches on practical life skills can make a difference. Some of these things you can do in-house; others you'll want to farm out.

Be Out There

Employee retention levels are higher in companies where the boss is highly visible to the workers. Sure, there's all that paperwork to do, suppliers to negotiate with, and customers to coddle. But, your most important asset is your people. Take care of that asset.

Get out of your office and spend some time on the floor with your people. I can't tell you how much time to invest talking with them, working with them. It will be different in each company. You'll know. When people feel comfortable talking with you, telling you of their problems and their successes, that's about right.

Thank your people on a regular basis--daily in some cases. Remember, you can't do it without them. Let them know you appreciate them by being sensitive and caring. It's not just a money issue, it's a matter of people feeling that they are wanted and are valued.

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