

## Is your business a revolving door for disgruntled employees?

Retaining talent is important for any organisation and is often considered to be the largest expense on a company balance sheet. Preventing your best and brightest from looking for opportunities elsewhere is much cheaper than constantly recruiting and training new staff. But what can you do to calm the revolving door? Ed Hussey explores some simple techniques to retain talent by improving staff happiness.

Like with most difficult situations, it's important for employers to try and see things from both sides. So what are the three main reasons why employees voluntarily leave an organisation?

1. They are not rewarded well enough for their work, do not have adequate career progression or are not using their skills to their full potential?
2. They have incompetent, incompatible or insensitive supervisors who mismanage them?
3. They have incompatible work hours, heavy workloads or harsh company policies?

Well, the answer is all of these and more. Whatever the reason may be, employers should make sure their organisation is taking steps to be as amenable as possible. Exit interviews with all leavers to help identify why people go can be really useful with many lessons revealed. Upon exit employees are often more honest about their reasons, but impartiality is important so do not have their line manager conduct it.

Once you have an idea about why people leave, it is important to take action to address the key issues, wherever possible. Taking positive steps in response to criticism will boost morale and help increase employee motivation.

But what are some of the other positive steps you can take to improve staff retention?

Clear objectives, from the top down

Everyone needs a framework in which to operate and it goes from the top down. Your company needs a strategy and objectives and they should flow down to each department, team and individual.

"Talent retention needs continual focus and is not an area which you can ignore"

Working towards common goals and providing an inclusive approach will make people feel valued, motivated and clear on what they need to achieve.

### Introduce appraisals and link them with rewards

A good way to retain your best employees and incentivise good performance is by introducing an appraisal programme, linking it to the strategy and objectives, and using it to get staff feedback. This can be done by implementing regular dialog to discuss current performance (by recognising achievements and highlighting areas for development), setting objectives that clearly link to business goals, highlighting their medium-term career progression opportunities and understanding their longer-term career goals. This can also be tied into a rewards programme that benefits top performers, either via salary increases and bonuses or with non financial rewards such as extra training or holiday incentives. There is a health warning with appraisals though - don't make it overly complex or bureaucratic. The best appraisal forms I have seen are only two pages long! Make sure it suits your business and culture.

## **Understand your employee motivations**

It is really important to understand how each of your employees is motivated and what they want from their job. They might be working for different reasons such as personal fulfilment, love for what they do, to accomplish goals and grow their career or for rewards/money. If you understand the motivations of each employee, it will be easier for you to reward them according to their preferences. If you reward them appropriately, they will be less likely to leave.

## **Publicise high performance**

Giving special recognition by congratulating employees who perform well means that others become aware of the high achievements and can be a great way to increase morale.

This will motivate top performing employees and also act as an incentive for low performers to work more effectively.

## **Promote internal career progression**

Promotion should always be carefully considered and based on performance and capability as well as career aspirations. A simple way to retain talent is to have the right person do the right role – having someone in a senior role but always doing more junior tasks is not only a waste of money but also quite demotivating for the person involved and, indeed, for those around them. Likewise, when people really like what they are doing, changing their job responsibilities without considering their aspirations and interests will cause them to disengage.

It is also important to recognise that sometimes top sales performers are happy or best in their current role and promoting them to manager could mean you could lose your best sales person and end up with your least effective manager. The key element around career progression should be focussed on understanding what the employees really want, trying to give it to them and helping them achieve their aspirations.

## **Train supervisors to manage well**

It is clear that the role of supervisors, managers and directors is vital in understanding and playing to their employees' motivations. We very often train people in their technical expertise but skim over the importance of people management skills. Some basic concepts of how to listen, ask the right questions, give feedback and provide some coaching can make a big difference. Remember also how important it is for supervisors to always treat all employees in a fair manner and that your business maintains a reputation of integrity.

If the needs of a team member are beyond that of the manager's ability to coach, then consider a different mentor either in your business or outside of it. Also, having your staff network with peers in your business or outside of it will often mean that they bring back ideas and help share the responsibility to grow the team capability.

## **Create a good working environment**

Employees find it easier to work in a good environment and you should always concentrate on keeping the workplace a pleasant place to be. It should be well lit, at an ambient temperature, offer comfortable facilities, ideally with refreshments and a relaxation zone. Employees will find it easier to work in these environments as they will feel relaxed and valued.

## **Keep an eye on salaries and benefits**

Although salaries are commonly quoted as 'not the main motivator', you must still be competitive in order to attract and retain the best. Consider how to keep an eye on the market rates for your area/ sector. Also consider what benefits will appeal. Apart from insurance backed benefits such as health protection, there are also cost effective options such as employee discount schemes whereby every day purchases can be made with significant savings. Voluntary benefits and salary sacrifice arrangements can enable you to provide attractive options for relatively little cost.

## Share based incentives

A powerful longer term incentive can be share or share option schemes. These can be an ideal method of giving key employees a stake in the business and a share in the results of it. They link the employee to the employer on a long term basis and offer opportunities for rewarding them in a tax-efficient manner so that, with time, much of the profit from the shares will escape the ravages of income tax otherwise payable on earnings.

In essence, talent retention is something which needs continual focus and is not an area which you can ignore. In order to retain the right people it is important to recognise where you are in relation to your competitors and to continue to evolve your people experience in response to both exit interview and market feedback. However, remember that losing your best and brightest is sometimes inevitable so be nice about it and keep in touch.

Whilst it is easy to say that any business owner should implement these strategies, in reality you often have too many responsibilities where you are not an expert. Using a HR consultant to ensure the right approach is made and maintain peace of mind can save time, help unlock value, increase productivity and improve the performance of your business for the longer-term.

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