



## **Employee Retention:**

Hiring employees is just a start to creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity. Try these tactics to retain your employees.

- Offer a competitive benefits package that fits your employees’ needs. Providing health insurance, life insurance and a retirement-savings plan is essential in retaining employees. But other perks, such as flextime and the option of telecommuting, go a long way to show employees you are willing to accommodate their outside lives.
- Provide some small perks. Free bagels on Fridays and dry-cleaning pickup and delivery may seem insignificant to you, but if they help employees better manage their lives, they’ll appreciate it and may be more likely to stick around.
- Use contests and incentives to help keep workers motivated and feeling rewarded. Done right, these kinds of programs can keep employees focused and excited about their jobs.
- Conduct “stay” interviews. In addition to performing exit interviews to learn why employees are leaving, consider asking longer-tenured employees why they stay. Ask questions such as: Why did you come to work here? Why have you stayed? What would make you leave? And what are your nonnegotiable issues? What about your managers? What would you change or improve? Then use that information to strengthen your employee-retention strategies.
- Promote from within whenever possible. And give employees a clear path of advancement. Employees will become frustrated and may stop trying if they see no clear future for themselves at your company.
- Foster employee development. This could be training to learn a new job skill or tuition reimbursement to help further your employee’s education.
- Create open communication between employees and management. Hold regular meetings in which employees can offer ideas and ask questions. Have an open-door policy that encourages employees to speak frankly with their managers without fear of repercussion.
- Get managers involved. Require your managers to spend time coaching employees, helping good performers move to new positions and minimizing poor performance.



- Communicate your business’s mission. Feeling connected to the organization’s goals is one way to keep employees mentally and emotionally tied to your company.
- Offer financial rewards. Consider offering stock options or other financial awards for employees who meet performance goals and stay for a predetermined time period, say, three or five years. Also, provide meaningful annual raises. Nothing dashes employee enthusiasm more than a paltry raise. If you can afford it, give more to your top performers. Or, if you don’t want to be stuck with large permanent increases, create a bonus structure where employees can earn an annual bonus if they meet pre-specified performance goals.
- Make sure employees know what you expect of them. It may seem basic, but often in small companies, employees have a wide breadth of responsibilities. If they don’t know exactly what their jobs entail and what you need from them, they can’t perform up to standard, and morale can begin to dip.
- Hire a human-resources professional. If your company is nearing 100 employees, consider hiring a human-resources director to oversee and streamline your employee structure and processes. Putting one person in charge of managing employee benefits, perks, reviews and related tasks takes a huge load off of you and makes sure employees are treated fairly. HR managers are also more up to date on employment laws and trends. They can set up various programs and perks you may not have known existed.

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