
MODULE 5: RETENTION STRATEGIES

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TEMPLATES:

- A. Retention Quota Test
- B. Orientation Preparation Checklist
- C. Orientation Checklist
- D. Exit Interview Questionnaire

1. INTRODUCTION

Whether or not employees in Saskatchewan communities decide to stay or go is influenced by a number of factors. Some people are reluctant to live in Saskatchewan communities, particularly smaller communities, because they feel that advancement opportunities are limited and that the salaries/wages offered are not competitive enough. Others find the remoteness of small communities to be unappealing and believe the quality of life to be better in cities.

While there are a whole host of factors that you as an employer cannot control, there are a number of variables that you can strongly influence. How you relate to and deal with your employees every day can shape their attitudes – for good or bad. Just as the efforts of employees are critical to the success of small businesses, the leadership of employers is essential to the development of successful employees. Through a little give and take, employers can create win-win situations wherein employees are satisfied and employers reap greater success. Happy employees are more productive than their disgruntled or resentful counterparts.

While goals such as profitability may be your primary focus, it is also worthwhile to consider and support the goals of your employees to avoid costly employee turnover. Encouraging employee involvement and input fosters loyalty and respect. Having a positive attitude is always good business.

This module will discuss the implications of employee turnover, the reasons for turnover, what you can do to become an employer of choice, and how you can build employee loyalty. Helpful tools are attached at the back of the module for your use.

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employees
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2. EMPLOYEE TURNOVER

2.1 Why Does Turnover Matter?

Plainly stated, ignoring or accepting high employee turnover rates is bad business and costly. Because employee turnover has a negative impact on employee morale *and* the bottom line, it is important that you address causes of employee discontent. It may be more difficult to retain workers in rural areas, but you can increase employees’ loyalty by valuing their needs.

Employee turnover has a negative impact on employee morale and the bottom line.

The Real Cost

The example below should give you an idea of the real cost of employee turnover – and the importance of employee satisfaction. The example information was provided by one hotel in Alberta, based on the assumption of two weeks notice and two weeks job vacancy.¹

Estimated Turnover Cost for One Housekeeping Attendant ²			
Direct Costs	# Hours	Hourly Rate	Total
Termination			
Separation processing – administrative support	0.5	\$15	\$7.50
Separation processing – management	2	\$25	\$50.00
Exit interviews – human resources staff or external consultant	1	\$25	\$25.00
Severance pay	n/a		
Accrued vacation			\$400.00
Continued benefits	n/a		
Vacancy			
Temporary help – wages	64	\$7	\$448.00
Temp agency services	n/a		
Overtime for co-workers	n/a		
Recruitment			
Writing job ad	1	\$25	\$25.00
Running job ad			\$75.00



¹ Alberta Human Resources and Employment, *Finders & Keepers: Recruitment and Retention Strategies*, 6-7

² Finders & Keepers, 6-7

Direct Costs (continued)		# Hours	Hourly Rate	Total	
Third party recruiter fees		n/a			
Other (i.e. referral bonus)		n/a			
Selection and hiring					
Application screening		0.5	\$25	\$12.50	
Interviewing		3	\$25	\$75.00	
Reference check		1.5	\$25	\$40.00	
Finalizing employee contract		0.5	\$25	\$12.50	
Relocation		n/a			
Other (e.g. signing bonus)		n/a			
Orientation and training					
New hire processing (e.g. benefits set up)		1	\$15	\$15.00	
Orientation		2	\$25	\$50.00	
Orientation materials such as employee literature				\$5.00	
Uniforms, equipment				\$50.00	
In-house training or coaching		12	\$11	\$132.00	
Training materials		n/a			
External training		n/a			
Other (e.g. licensing, certification fees)		n/a			
Total of Direct Costs				\$1422.50	
Indirect Costs		% Reduced	# Hours	Hourly rate	Total
Lost productivity of incumbent, prior to departure (<i>estimate 2 weeks prior to departure</i>)		50%	64	\$7	\$224.00
Lost productivity of co-workers or subordinates (<i>estimate 2 co-workers x 2 weeks</i>)		25%	128	\$7	\$224.00
Lost productivity/time of supervisor during vacancy (<i>2 weeks</i>)		30%	64	\$11	\$211.20
Lost productivity/time of supervisor during orientation and training		30%	40	\$11	\$132.00
Lost productivity of new hire during initial transition (<i>week 1</i>)		50%	32	\$7	\$112.00
Lost productivity of new hire during subsequent transition (<i>weeks 2 & 3</i>)		25%	64	\$7	\$112.00
Increased defects/operating errors during vacancy or transition (<i>Ex. overuse of cleaners, broken glass</i>)					\$50.00
Dissatisfied or lost customers during vacancy or transition (<i>estimate 5 customers shorten stay by one night @ \$140</i>)					\$700.00
Total of Indirect Costs					\$1765.20
Total Costs of Turnover (Direct + Indirect Costs)					<u>\$3187.70</u>



Retaining the employee in the example above is worth at least \$3,187.70 to the employer. The employer may want to consider what could be done to retain this employee: increase salary, provide a bonus, vacation, etc. This may be too simplistic because the employer would have to pay all the housekeepers more money, which may not be possible.



Customer Satisfaction

Customers typically feel more comfortable when dealing with familiar faces. By maintaining a consistent staff, you will foster customer confidence and loyalty. If, however, customers are forced to constantly deal with new employees, it is more difficult for them to become attached to or committed to your company.

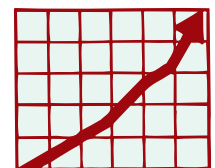
Maintaining a consistent staff helps foster customer confidence and loyalty.

Word of Mouth

Disgruntled employees who leave can sometimes foster a negative attitude toward your business. In small communities where public opinion and reputation is critical to a business's success, this can be extremely hazardous. You can, however, use the influence of word of mouth to your benefit. By endorsing positive employee relations, you also promote positive public relations.

The Learning Curve

Most employees become more proficient at their jobs with time and practice. Because of this, long-term employees are often greater contributors, due to their ever-increasing knowledge base and familiarity with business operations. If, however, employees never stay more than one year, you will lose out on what they would have offered you once they had developed a better understanding of your business and what your customers want.



2.2 Why Employees Leave: Identifying Trouble Spots

Retaining employees can be a source of constant worry for many employers. The most obvious solution is to stop the problem before it begins. It is quite possible that you are doing nothing wrong – or are even doing everything right. However, it’s a good idea to take the time to look at your business from an outsider’s perspective. How is your relationship with your staff? Would you want to work for your business?



The following checklist test is designed to help you assess your personnel practices and help you understand why you could have difficulty retaining employees.

Is Your Business a Rewarding Place to Work? ³
Check your business for these features of a positive work environment
<p>Employee ownership, decision-making and flexibility</p> <ul style="list-style-type: none"> <input type="checkbox"/> Share the vision, mission and strategies of the business with employees <input type="checkbox"/> Include employees in decision-making <input type="checkbox"/> Allow employees to have significant autonomy and control over work <p>A motivating, supportive and trusting environment</p> <ul style="list-style-type: none"> <input type="checkbox"/> Ensure that supervisors act as coaches and are supportive <input type="checkbox"/> Use teams, quality circles and other feedback loops where possible <input type="checkbox"/> Recognize and reward employee contribution <p>A healthy, safe and comfortable workplace</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provide a safe and healthy workplace <input type="checkbox"/> Provide people-friendly facilities <input type="checkbox"/> Provide a clean, comfortable environment <p>Work and personal life in balance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Allow flexible hours and vacations <input type="checkbox"/> Consider alternative working arrangements (e.g. part-time, modified workweeks) <input type="checkbox"/> Allow employees some discretion over timing of overtime <p>Regular and open communication</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continually share information and knowledge with all employees <input type="checkbox"/> Consider regular employee meetings or a bulletin board to up-date employees <input type="checkbox"/> Encourage regular feedback between employees and managers

³ Hiring, Keeping and Managing, 150-151.

Employees decide to seek employment elsewhere for a number of reasons. Those employed in Saskatchewan communities may desire to move out of province or to bigger cities. While employers fear that they cannot offer salaries that are competitive with urban employers, research suggests that money is not the primary motivator of many employees.

Money is not the primary motivator of many employees.

In a recent survey of “outstanding” employees, survey respondents cited their top four reasons for resigning. As the table on the following page shows, issues such as “feeling unappreciated” or “feeling bored or unchallenged” are common reasons for quitting a job. Unreasonable working hours, unpleasant working conditions, and undesirable work schedules (i.e. shift work) were other common reasons cited by employees.⁴

“Outstanding” Employees Who Listed Each Item Among the Top Four Reasons for Their Resignations⁵	
Loss of faith in Management	74%
Feeling Unappreciated	67%
Feeling Bored or Unchallenged	54%
A Highly Politicized Workplace	50%
A More Lucrative Compensation Package	50%
Feeling Used or “Exploited”	41%
Concern about the Future of the Firm	38%
Departure/Retirement of a Close Colleague	30%
A More Flexible Benefits Package	25%

What can you do to address employee concerns? Take time to show your employees that their contributions have not gone unnoticed and that you appreciate their efforts. Prevent duties from becoming routine by encouraging workers to suggest ways of making it more interesting. Cross-training staff members to do a variety of jobs can help alleviate repetitiveness and employee boredom.⁶

Thank you!

⁴ Franklin C. Ashby and Arthur R. Pell, *Embracing Excellence: Become an Employer of Choice to Attract and Keep the Best Talent* (Prentice Hall Press, 2001), 250-252.

⁵ Embracing Excellence, 248.

⁶ Embracing Excellence, 239-248.

Although you may not be able to offer new employees the most lucrative compensation plans, you can offer other very valuable perks instead. Items such as flex time, childcare allowances, transportation subsidies, and dress down days are effective ways of accommodating employees' diverse preferences and lifestyles. Take the time to get to know how your employees prefer to work, and respond to their needs. Flexibility is essential to being an effective manager.

Flexibility is essential to being an effective manager.



Remember: *If an employee can work in the manner which he or she is most comfortable, he or she will be more productive.*

In order to be an effective manager, you should be aware of the characteristics of ineffective managers. As the listing below demonstrates, employees resent managers who act like “bosses,” tolerate mediocre performance, or fail to reward superior work.

The Nine Big Complaints Employees Have About Their Managers ⁷

1. The difference between manager's compensation and that of the rank and file workers is inequitable.
2. Too many managers act like “bosses” by managing through fear and intimidation.
3. The company does not offer clear career paths to employees.
4. Mediocre performance is tolerated, so why bother to do superior work.
5. Making promises that are not kept.
6. Putting the personal interests of a manager above what is best for the entire staff.
7. Treating employees as second-class citizens.
8. Failure to reward superior work.
9. Employees feel unappreciated.

⁷ Embracing Excellence, 3-13.

2.3 Invest in Yourself

Why should each employer constantly strive to learn and improve? This notion may require employers to make a mindset adjustment. Even a decade ago, employee-employer relationships were primarily based on compliance. Historically, employees were considered to be subordinates more so than today.⁸



Since that time, however, employees have undergone a shift in their thinking. The employer-employee relationship is no longer so cut and dried. Employees seek “empowerment” and are often less willing to tolerate unfavourable working conditions. For this reason, today’s workers must be treated differently than in past decades.⁹ You have the opportunity to take a leadership role by requesting and acting on employee and applicant feedback.

A good way of identifying your strengths and weaknesses as an employer is by examining why employees have – or haven’t – chosen to work for you. Interviewing or surveying new employees can help you uncover this valuable information. Ask questions like:¹⁰

Why did you apply to work here?

How did you hear about us?

What was the key factor that made you decide to join us?

What do you think we can improve?

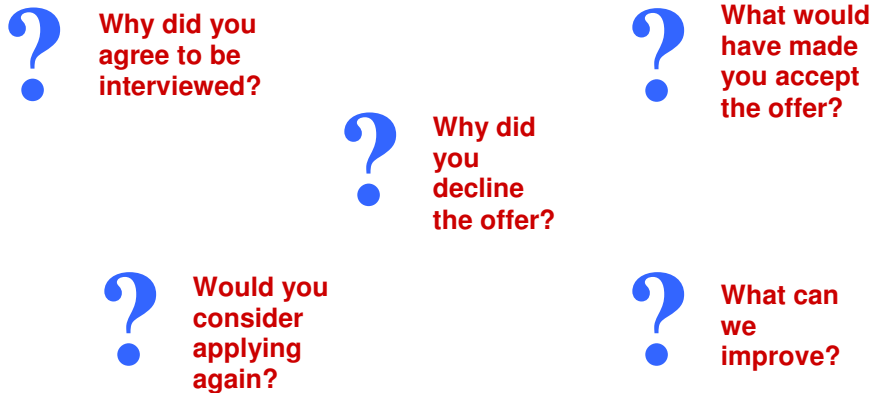
List 3 pros and cons you thought of when considering our job offer.

⁸ Kenneth W. Thomas, *Intrinsic Motivation at Work: Building Energy & Commitment* (San Francisco: Berrett-Koehler Publishers, 2002), 3.

⁹ *Intrinsic Motivation at Work*, 5.

¹⁰ Finders & Keepers, 28.

Asking those who have declined your offer of employment to answer a few questions can be equally informative. By addressing their tips on improvement, you might even convince them to re-apply in the future.¹¹



By taking the time to ask questions, you may tap into some invaluable insights and observations. Considering and using this information will put you on the path toward reducing employee turnover. As we have already established, high employee retention will save you money and foster positive public relations.

¹¹ Finders & Keepers, 28.

3. BECOMING AN EMPLOYER OF CHOICE

3.1 Understanding Why Employees Stay

From a business perspective, striving to be an employer of choice is smart for a number of reasons. Not only do top employers find it easier to attract and hire new employees, but they also tend to maintain lower employee turnover. Developing a reputation as an employer of choice in your region can be accomplished without a large financial investment. While it may seem like an overwhelming goal, a good place to start is by determining why employees stay.

Top employers find it easier to attract new employees and tend to have lower employee turnover.

You could learn a lot by asking your staff to evaluate the workplace based on the following 12 key factors. They are criteria commonly identified by employees as essential to a great workplace.¹²

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work well.
3. At work I have the opportunity to do what I do best every day.
4. In the last seven days I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. Someone at work encourages my development.
7. At work my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My fellow employees are committed to doing high quality work.



¹² Finders & Keepers, 11.

10. I have a trusting relationship with a co-worker.
11. In the last six months someone at work has talked to me about my progress.
12. This last year I have had opportunities at work to learn and grow.

Please note, however, that you should only ask these questions if you're prepared to receive the feedback and take action to rectify problem areas. Otherwise, employees may believe that they are being "humoured" or patronized, which can do more harm than good. When dealing with employees, remember that it is a business – not a personal – relationship. Keep your feelings out of it, as the goal should be to improve your business.

Rather than simply waiting to deal with employee dissatisfaction after it's past the point of no return, you can take a proactive role in dealing with turnover problems. By improving your workplace and personnel practices today, you will ensure the loyalty of your employees into the future.

In short, most employees want feedback and guidance so they can do their jobs well. Try using SMART goals to communicate your expectations to employees. To be most effective, your targets for employees should be *Specific, Measurable, Attainable, Relevant/related, and Time-based*.¹³

**By improving
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today, you will
ensure loyalty
into the future.**

¹³ Frank McNair, *It's OK to Ask 'Em to Work ... and Other Essential Maxims for Smart Managers* (Toronto: AMACOM, 2000), 36-37.

Specific
Measurable
Attainable
Relevant/Related
Time-based



Consider the following example. Alice owns a company that manufactures teddy bears. Her daily production goal is 100 teddy bears. Joe's job is stuffing the teddy bears. On Tuesday morning at 8:30, Alice tells Joe have all 100 teddy bears stuffed by 1:00 p.m., so that the company will be able to meet the production goal. This is a SMART goal because:

- Alice identified exactly which *specific* activity she wants Joe to perform (stuff teddy bears);
- Joe's performance is *measurable* (100 teddy bears);
- The target is *attainable* (Joe stuffs an average of 2 bears/minute);
- Stuffing the bears is *relevant / related* to the company goals (Joe must meet his personal goal in order for the company to meet its daily production goal); and
- Joe's target is *time-based* (his must stuff all 100 teddy bears by 1:00 p.m.).

Remember that employees need to be shown appreciation. As the table below illustrates, training opportunities, responsive scheduling, and reasonable job demands are key to low turnover rates.

**Employees
 need to be
 shown
 appreciation.**

Keys to Low Employee Turnover ¹⁴

- Training and development opportunities
- A safe working environment
- A healthy working environment
- Responsive scheduling
- Positive employee-supervisor relationships
- Reasonable job demands
- Competitive pay and benefits
- Employee communication and influence
- Personally rewarding work
- Job security
- Thoughtful job design

As you can see, it is the work environment, work relationships, and opportunities for growth that make employees want to stay. Yes, pay and job security – two financial motivators – did make the list. A discussion of the importance of pay/compensation will be dealt with in the next section.

So How Important Is Money Anyway?

While it is true that money influences an employee's willingness to stay at their current job, studies show that a number of other factors are considered to be more important. Money alone cannot correct other shortcomings. In fact, in a recent survey, money ranked 11th out of 18 reasons given by employees for staying in their current jobs. See the following table for the complete listing:



¹⁴ Finders & Keepers, 10.

Reasons Given By Employees for Staying at their Current Jobs ¹⁵

1. Career growth and learning;
 2. Exciting and challenging work;
 3. Meaningful work and the opportunity to make a difference;
 4. Great co-workers;
 5. Being part of team;
 6. A good boss;
 7. Being recognized for a job well done;
 8. Having fun on the job;
 9. Autonomy or a sense of control over their own work; and
 10. Flexibility in work hours and dress code.
- 11. MONEY**

Although compensation may not be most employees' primary motivator, the wage/salary that you offer must be on par with what competing employers offer for similar work. Otherwise, money will play a much greater role in the applicant's decision-making process. Make sure to conduct some labour market research to ensure that you know what a competitive salary is for specific types of positions.

3.2 Starting Employees Off Right

A new employee's first weeks on the job are of critical importance. A good orientation helps the new worker adjust to his or her new job with ease, whereas a poor orientation – or lack thereof – can leave a new worker feeling overwhelmed and intimidated. The companies that are most successful at grooming new employees into happy and productive team-members have taken the time to map out a comprehensive plan to guide the new employee through the first

**Let Us Pave
The Way!**

¹⁵ Embracing Excellence, 186.

several months. Unfortunately, many employers fail to take the time to do this.¹⁶

Before your new employee comes to work for the first time, you should make sure that you are prepared and ready for him or her. The orientation checklist that follows may help you get organized:

Orientation Preparation Checklist¹⁷	
<input type="checkbox"/>	Have you made sure the new employee has an office or work location and the appropriate equipment and supplies?
<input type="checkbox"/>	Are you prepared to greet the new worker and pronounce his or her name correctly when making introductions?
<input type="checkbox"/>	Can you correctly spell your new employee's name?
<input type="checkbox"/>	Will you follow up through the days and weeks to be sure the employee is feeling comfortable?
<input type="checkbox"/>	Are you prepared to explain job duties and expectations?
<input type="checkbox"/>	Are you prepared to set aside time for questions?
<input type="checkbox"/>	Have you set aside training objectives that you want the employee to meet during the first 6 months on the job? Second 6 months?
<input type="checkbox"/>	Do you have money in the budget for training?
<input type="checkbox"/>	How could your organization benefit from an on-the-job training program?
<input type="checkbox"/>	How comfortable are you with adult learning methods and techniques?
<input type="checkbox"/>	What types of training methods are best for the kinds of people you employ?

Make sure to set aside time to get to know the new employee on his or her first day of work. You want to open up the lines of communication right away. By providing guidance and advice in the beginning, you will help the new employee to get off to a good start – and feel comfortable asking you for advice in the future.

Before beginning your employee orientation, you might want to jot down the topics that you would like to discuss. This will help you focus your thoughts and make most efficient use of your time during

Take time to get to know the new employee on his or her first day.

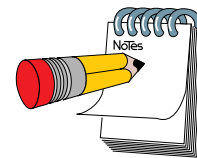
¹⁶ Carole A. Hacker, *The High Cost of Low Morale – and What to Do About It* (Boca Raton: St. Lucie Press, 1997), 243.

¹⁷ High Cost/ Low Morale, 243.

the orientation. The more information you share now, the better your new employee will be able to adjust and settle in.

The checklist below should guide you through the important points to mention during the orientation of your new employee:

Orientation Checklist ¹⁸	
The Organization	
<input type="checkbox"/>	History
<input type="checkbox"/>	Products or services
<input type="checkbox"/>	Customers
<input type="checkbox"/>	Mission and values
<input type="checkbox"/>	Organizational policies and expectations
<input type="checkbox"/>	Facility layout (map, parking)
<input type="checkbox"/>	Facility tour
<input type="checkbox"/>	Names of key people
<input type="checkbox"/>	Questions?
General Information	
<input type="checkbox"/>	Employee records
<input type="checkbox"/>	Benefits
<input type="checkbox"/>	Pay schedule
<input type="checkbox"/>	Pay scales
<input type="checkbox"/>	Vacations and holidays
<input type="checkbox"/>	Sick leave and absentee policy
<input type="checkbox"/>	Training and promotion policy
<input type="checkbox"/>	Employee development opportunities
<input type="checkbox"/>	Disciplinary policy
<input type="checkbox"/>	Questions?
Job-Specific Information	
<input type="checkbox"/>	Job location
<input type="checkbox"/>	Job description
<input type="checkbox"/>	Job tasks
<input type="checkbox"/>	Salary or wage information
<input type="checkbox"/>	Probationary period
<input type="checkbox"/>	Benefits
<input type="checkbox"/>	Introduction to the work unit
<input type="checkbox"/>	Safety requirements
<input type="checkbox"/>	Operating procedures
<input type="checkbox"/>	Work standards (performance criteria)
<input type="checkbox"/>	Tools and equipment
<input type="checkbox"/>	Hours of work, schedules breaks
<input type="checkbox"/>	Where to go for help
<input type="checkbox"/>	Questions?



¹⁸ Finders & Keepers, 31.

Although the formal orientation may only take a day or an afternoon, the orientation *process* continues throughout the first weeks of your new employee’s time. Training and guidance are essential to helping new employees adjust and become proficient at their jobs faster. You can assist and support this process by doing the following:¹⁹

Training and guidance are essential to helping new employees adjust.

1. Assign a coach or mentor to guide the new employee through the first few days or weeks, and serve as an unofficial advisor on how to manage work-related issues.
2. Give the new employee a chance to show early successes by assigning projects in which the employee’s expertise can be utilized immediately.
3. Allow new employees time to learn, study, and plan before assuming any major responsibilities.
4. Provide unwavering support.

Employees who feel like a part of the work community are more likely to be satisfied with their jobs. Considering that employees typically spend more time with their co-workers than their family, developing friendships at work is critical to employee happiness. It is therefore important that you dedicate efforts toward fostering relationship-building amongst your employees.²⁰

MANAGEMENT MAXIMS	<ul style="list-style-type: none"> ▪ Introduce workers to the whole operation, not just their work unit. ▪ Explain how the work units relate to each other. ▪ Set up mentoring or buddy systems, especially for new hires. ▪ Have regular staff meetings, with time for employees to talk. ▪ Plan staff social events (parties, breakfasts). 	<ul style="list-style-type: none"> ▪ Support employee clubs or recreational teams and volunteering in the community. ▪ Cross-train or create cross-functional teams. ▪ Provide new employees with information about community activities and resources. ▪ Encourage and support staff participation in community events.
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¹⁹ Embracing Excellence, 219-225.

²⁰ Finders & Keepers, 32.

Orientation is often overlooked or handled poorly. When orienting a new employee, try to avoid the following five mistakes that employers commonly make:



1. Delegating the orientation of new hires to clerical and administrative employees;
2. Having a hands-off, “Survival of the Fittest” mentality;
3. Expecting significant results too soon;
4. Using overly aggressive or deceptive recruiting practices; and
5. Failing to anticipate jealousies and resentments, resulting in efforts to undermine the new hire.²¹

Don’t expect new employees to settle in right away. Getting adjusted takes time. Give new employees, particularly in the management and technical areas, up to three months (and even more in some instances) to settle into their jobs and “learn the ropes” before assuming major responsibilities.²² Work closely with the new employee over the first weeks and months to monitor progress.

3.3 Ongoing Learning

Like orientation, ongoing training is critical to employee development. By investing in the development of employees’ skills, you should see an increase in their productivity. Other benefits to strong training programs include: reduced employee turnover, increased efficiency resulting in financial gains, and decreased need for supervision. For online training tools and tips, visit the Government of Canada HR Management website (www.hrmanagement.gc.ca).



In order to develop the skills, knowledge, and abilities of your workforce, experiment with buddy systems, mentoring, and/or

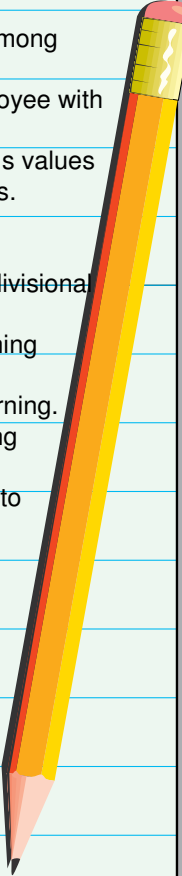
²¹ Embracing Excellence, 226-229

²² Embracing Excellence, 221

lateral moves. A listing of 22 training suggestions is included below:²³

22 Ways to Develop the Skills, Knowledge, and Abilities of your Workforce

1. **Training** - Formal or informal, in-house seminars, external courses, one-on-one sessions, instructor-facilitated group instruction, web-based individual tutorials, post-secondary offerings—there is no shortage of options.
2. **Buddy system** - New hire partnered with an experienced worker.
3. **Feedback** - Formal, informal, consistent, constructive, individual and group, just-in-time, all the time.
4. **Job enrichment** - Add new challenges and opportunities to the current job, in close consultation with the employee (offered, not imposed!).
5. **Lateral moves** - Employee moves to a new position at same level of responsibility.
6. **Promotion** - Employee moves vertically, to a position of greater responsibility.
7. **Relocation** - Employee moves to a new facility or community.
8. **Cross-training** - Employee works in other positions or in other work areas for a period of time.
9. **Rotate jobs or assignments** - Some jobs or responsibilities rotate among workers.
10. **Coaching** - Supervisors, co-workers or external coaches assist employee with performance improvement.
11. **Mentoring** - Role models help employees to understand organizations values and goals and to explore organizational, career or personal transitions.
12. **Committee work** - Employee serves on or leads committees.
13. **Special projects** - Employee takes on new challenges.
14. **Teamwork** - Employee serves on or leads cross-functional or cross divisional teams.
15. **Resource support** - Employee receives a range of supports for learning and working, including job aids, written documentation, employee handbooks, operating manuals or software tools for independent learning.
16. **Learning plans** - Employee develops an annual individualized learning plan with the employer, describing their goals and accountabilities.
17. **Career ladders** - Employer plans and communicates alternate paths to advancement.
18. **Tuition reimbursement** - Employer provides funds for employees to take approved training to encourage learning.
19. **Professional connections** - Employer pays professional dues or supports attendance at industry conferences, with a requirement to report back on what was learned.
20. **Certify** - Employee earns 'credits' and works towards internal certification in work units or skill sets.
21. **Celebrate** - Employer recognizes, rewards, and communicates employees' achievements in newsletters, annual award banquets.
22. **Walk the talk** - Employer demonstrates and communicates the value of continuing learning at all times, by all means, for all employees.



²³ Finders & Keepers, 33-34.

The Importance of Feedback

Most employees want to know how they're doing and, ultimately, want to be good at their jobs. During your busy days, however, it is sometimes difficult to find the time to sit down with your employees to provide this valuable feedback. This is unfortunate because in the minds of employees it is often felt that "no news is bad news."

Many employees feel that "no news is bad news."

By not communicating with employees, you may encourage second-guessing, mistrust and an active rumour mill. Try some of the following communication strategies:

- **Communication.** Keep managers and supervisors well informed.
- **Open-door policy.** Encourage employees to approach managers and supervisors with ideas, concerns, and questions.
- **Open-book policy.** Let employees know what's going on; strategic plans, key decisions.
- **Staff memos.** Post them, include them with the paycheque, place them beside the time clock.
- **Lunchroom bulletin board(s).** Ordered, sectioned, regularly updated with space for employees to post personal notices.
- **Employee suggestion box.** Anonymous, easily accessed, regularly checked and responded to in a positive and public way (e.g. newsletter, staff meeting).
- **Employee surveys.** Anonymous, confidential, using a validated survey tool, results reported to all staff, surveys result in action.
- **Regular staff meetings.** Work unit and company-wide, with opportunity and encouragement for employees to hear and be heard.
- **Toolbox meetings.** Quick, ad hoc meetings in a work unit to address an emergent concern or problem or communicate something new (e.g. safety issue, debrief on a recent incident).



- **Employee focus groups.** Work unit or cross-functional groups called together for a specific purpose (e.g. co-develop a job description, brainstorm a solution).
- **360° feedback.** Input on performance from direct reports, supervisors, peers, team-members, internal and external customers.²⁴

You owe it to yourself and to your employees to have clearly outlined performance standards. An effective manager/supervisor lets his or her employees know what is expected of them, in terms of productivity and attitude. You should communicate *exactly* what you want in a worker. Do you prefer your employees to:

Work long hours and move quickly?

OR

Work normal hours and keep fresh?

Pay attention to detail and make it perfect?

OR

Pay attention to schedules and get the job done?

Ask for coaching so they can learn how to be great?

OR

Be independent and learn to be great by themselves?



Word of Advice: *Be sure to document performance appraisals. If you want to fire someone based on performance factors, you must have evidence that you provided the employee with an opportunity to correct his or her behaviour.*

Communication and feedback between supervisors and employees is essential to employee growth. It encourages individuals to correct mistakes before they become habits. It also motivates employees to achieve their goals.

²⁴ Finders & Keepers, 43.

To be meaningful, feedback should:

- Be constructive;
- Clearly define the impact of the action or the behaviour;
- Be directed at specific actions or behaviour; and
- Be offered in a timely manner.²⁵

Feedback to an employee should always include specific steps for taking corrective action. When you sit down with an employee to discuss his or her job performance, try the following:²⁶

MANAGEMENT MAXIMS

1. Describe the difference between the employee's present performance and agreed-on expectations.
2. Point out specifically the negative impact of the individual's performance on you, other employees, or the task.
3. Ask for the employee's viewpoint of the situation.
4. Get input from the employee on how he or she can correct the situation.
5. Explain any steps you plan to take and the reasons for those steps.
6. Agree on an *action plan* and a follow-up date. The action plan clearly describes what performance is expected and allows for employee input in deciding what progress he or she is expected to make by what stage of the plan.



Word of Advice: *Be prompt to address inadequate performance as soon as you recognize it. Describe the difference between the employee's present performance and agreed-on expectations. Take constructive action to help and offer feedback.*

3.4 Requesting Feedback

Good managers realize that communication is a two way process. You should not only provide your employees with feedback, but you

²⁵ D.A. Hollingworth, *The Supervisor's Guide to Employee Training and Performance* (Toronto: Norco Associates, 2001), 3-10.

²⁶ Employee Training and Performance, 3-10-3-11

should also invite employee feedback on your managerial performance. By requesting feedback, you send the message that you value your employees' opinions and are willing to make changes based on input.

Employers who ask for feedback demonstrate that they are willing to adapt and grow. If you adopt this approach, however, make sure that you are truly prepared to receive the information and implement changes in a professional manner. Otherwise, there may be negative repercussions.

Try asking your employees some of the following questions.²⁷

1. When do you feel most free to discuss concerns?
2. What could be done to improve employee relations?
3. What is our business doing well?
4. What could we improve upon?
5. Do you feel that I change my mind too often and alter your assignments after you've already started working?
6. How can I help you develop your skills?
7. What are the main obstacles to getting the job done in your specific area of responsibility?
8. Do you feel free to tackle problems without my interference?
9. Do I step in too quickly, or not quickly enough?
10. When I correct you, do you usually feel helped or criticized?
11. Do you get enough feedback from me? Do I give enough positive feedback?



Listen to what employees say and be ready with a response. Express that you appreciate their contributions and be prepared to

²⁷ High Cost/Low Morale, 97-98.

take action on their suggestions. Afterwards, follow up and get additional feedback on how you're doing.

3.5 Market-Wise Retention

When considering employee retention, remember that not all employees have equal value. Efforts should focus on retaining your highest-value employees. These are the individuals who: provide informal or formal leadership to others; consistently create excellent results; contribute practical and valuable new ideas; require little or no supervision to accomplish their tasks; facilitate the work of others; and have unique knowledge or skills.²⁸ These are the employees who will cost your business the most by leaving and will be the most difficult to replace.

²⁸ Harvard Business School, *Harvard Business Essentials: Hiring and Keeping the Best People* (Boston: Harvard Business School Press, 2002), 91.

4. EMPLOYEE LOYALTY

4.1 Generating Employee Loyalty

Research has shown that an employee's job performance is directly related to his or her level of commitment to the company. This usually translates into lower levels of employee turnover and higher levels of productivity. It is therefore in an employer's best interest to investigate how to better generate employee loyalty.

Job performance is directly related to employee commitment

In order to foster loyalty, employers should be flexible, understanding, and supportive of employee needs. In a recent study, it was concluded that many employers fail to address issues that matter to employees. "Fairness at work," "care and concern for employees," and "trust in employees" are factors that influence employee commitment – for good or bad. Other findings include ²⁹:

- Slightly more than half of employees surveyed felt a strong personal attachment to their organizations.
- Slightly more than half of employees surveyed said they believed their employers show them genuine care and concern.
- Fifty percent said they believe their organization cared about developing people for the long term, not just their current jobs.
- One-third of worldwide employees did not believe their organizations to be highly ethical.
- Only six in 10 believe their senior leaders have high personal integrity.

Remember that an employee's loyalty to you – or lack thereof – is directly related to your behaviour and attitude toward him or her. Are you genuinely interested in and concerned about their needs? Take time to understand individual employee needs. By taking the

²⁹ Embracing Excellence, 256

time to build relationships with your employees, you *will* see an increase in their loyalty toward your business.

4.2 Dealing with Low Morale

Employees who demonstrate a bad attitude can impact the workplace atmosphere in a very negative way. It is important that you find out the source of the malcontent so that it can be corrected. If left to fester, low morale can have serious repercussions.

Watch out for the following indicators of low morale:³⁰

- High employee turnover, absenteeism, and so on.
- An absence of humour. Is everyone serious all the time?
- Frequent complaints. If the complaining originates with the better employees, it is a sign of a potential problem.
- Continually negative rumours.

If you find that there is a morale problem in your workplace, you need to take swift action to improve the workplace atmosphere.

MANAGEMENT MAXIMS

1. Understand that high morale cannot be bought. It must be earned through fairness, respect and a relationship of mutual trust.
2. Watch for signs of boredom which can result from dull, routine work. If you can, move people around and try to vary their assignments.
3. Promote skill and talent. Encourage innovation and suggestions. Be quick to acknowledge good job performance.
4. Delegate as much responsibility as positions and skills permit.
5. Be willing to admit mistakes and make amends.
6. Let employees know, as quickly as you can, of any changes that may affect them.
7. Deal with rumours quickly.
8. Recognize good effort and performance. Evaluate frequently and let people know how they are doing. To many people, being ignored is worse than being criticized.
9. Use tact when you're correcting or criticizing; never use ridicule or sarcasm. Always offer suggestions for improvement.

³⁰ High Cost/Low Morale, 103

5. EXIT INTERVIEWS

Resignation of any employee will naturally cause some disappointment in you. An investment in training the employee has been made and new costs to be incurred to find a replacement. There will be a sense of a loss from the relationship. Be careful not to take the resignation in a personal way. Some factors that lead to turnover cannot be controlled. Be philosophical. Everyone in this world wants to improve their quality of life. An employee moves to a different job because he or she perceives certain benefits for them. In today's modern world, most employees consider it natural to have several or many employment positions during their working career. So employees can be considered "on loan" and not necessarily long term. Small business employers face challenges when it comes to providing attractive employment compensation and benefits of larger organizations or public sector agencies. So in spite of everything you have done right, change is natural and inevitable. Employee turnover is part of change. Try to keep a positive perspective.

In the eventual event that an employee voluntarily resigns, don't let your emotions get in the way of this opportunity for learning. Sit down with an exiting employee for an exit interview and ask questions such as: ³¹

- What is the main reason you resigned?
- What other reasons influenced your decision?
- Is there anything we could have done to encourage you to stay?
- What would bring you back?
- If you were the boss, what would you change?

³¹ Finders & Keepers, 29

Take notes and use this information to modify office policies and procedures. If you would prefer not to conduct a person to person interview, you could use a questionnaire to gather the same sort of information. A sample Exit Interview Questionnaire is included on the following pages.

- 1. Better pay and job prospects
- 2. Further studies
- 3. Domestic/family problems
- 4. Distance (too far from home)
- 5. Health reasons

Any other comments on your reasons for leaving not reflected above:

Exit Interview Form – Analysis of Scores

Tally up the number of points scored in sections A, B and C. The factor with a score of between 5 and 15 is the predominant reason for the employee's resignation. Factors with a score of 16 or above are unlikely reasons for resignation.

Factors	Score
A. Salary/employee benefits	<input type="checkbox"/>
B. Job/working conditions	<input type="checkbox"/>
C. Work relationships	<input type="checkbox"/>

Signature of Interviewer/Date

Signature of Department Manager/Date

6. CONCLUSION

There is no guaranteed path toward achieving high employee retention. It is impossible to provide a definite guide or list of steps to follow in order to become a top employer in your area. Every workplace is influenced by different variables – some controllable and some uncontrollable.

There are, however, a number of decisions that you, as an employer, can make that will have an effect employee morale and satisfaction. Flexibility, open-mindedness, and compassion are key to meeting the needs of your employees. *And remember:* striving to achieve low turnover and generate employee loyalty will have a positive impact on customer relations, employee relations, and ultimately on the bottom line.



IS YOUR BUSINESS A REWARDING PLACE TO WORK?

Check your business for these features of a positive work environment
Employee ownership, decision-making & flexibility
<input type="checkbox"/> Share the vision, mission and strategies of the business with employees
<input type="checkbox"/> Include employees in decision-making
<input type="checkbox"/> Allow employees to have significant autonomy and control over work
A motivating, supportive and trusting environment
<input type="checkbox"/> Ensure that supervisors act as coaches and are supportive
<input type="checkbox"/> Use teams, quality circles and other feedback loops where possible
<input type="checkbox"/> Recognize and reward employee contribution
A healthy, safe and comfortable workplace
<input type="checkbox"/> Provide a safe a healthy workplace
<input type="checkbox"/> Provide people-friendly facilities
<input type="checkbox"/> Provide a clean, comfortable environment
Work and personal life in balance
<input type="checkbox"/> Allow flexible hours and vacations
<input type="checkbox"/> Consider alternative working arrangements (e.g. part-time, modified workweeks)
<input type="checkbox"/> Allow employees some discretion over timing of overtime
Regular and open communication
<input type="checkbox"/> Continually share information and knowledge with all employees
<input type="checkbox"/> Consider regular employee meetings or a bulletin board to up-date employees
<input type="checkbox"/> Encourage regular feedback between employees and managers



ORIENTATION PREPARATION CHECKLIST

- Have you made sure the new employee has an office or work location and the appropriate equipment and supplies?
- Are you prepared to greet the new worker and pronounce his or her name correctly when making introductions?
- Can you correctly spell your new employee's name?
- How will you follow up through the days and weeks to be sure the employee is feeling comfortable?
- Are you prepared to explain job duties and expectations?
- How much time will you set aside for questions?
- What training objectives do you want the employee to meet during the first 6 months on the job? Second 6 months?
- Do you have money in the budget for training? If so, how much?
- How could your organization benefit from an on-the-job training program?
- How comfortable are you with adult learning methods and techniques?
- What types of training methods are best for the kinds of people you employ?



ORIENTATION CHECKLIST

The Organization

- History
- Products or services
- Customers
- Mission and values
- Organizational policies and expectations
- Facility layout (map, parking)
- Facility tour
- Names of key people
- Questions?

General Information

- Employee records
- Benefits
- Pay schedule
- Pay scales
- Vacations and holidays
- Sick leave and absentee policy
- Training and promotion policy
- Employee development opportunities
- Disciplinary policy
- Questions?

Job-Specific Information

- Job location
- Job description
- Job tasks
- Salary or wage information
- Probationary period
- Benefits
- Introduction to the work unit
- Safety requirements
- Operating procedures
- Work standards (performance criteria)
- Tools and equipment
- Hours of work, schedules breaks
- Where to go for help
- Questions?

B. The Job/Working Conditions

1. You like the nature of your job and are satisfied with the duties and responsibilities assigned to you.

1	2	3	4	5
Strongly Agree				Strongly Disagree

If you disagree, what area did you dislike? _____

2. You are able to handle the work pressure.

1	2	3	4	5
Strongly Agree				Strongly Disagree

If you disagree, what aspect of your work made it pressured and how can his be managed? _____

3. You are satisfied with your working hours.

1	2	3	4	5
Strongly Agree				Strongly Disagree

4. You were given sufficient training opportunities.

1	2	3	4	5
Strongly Agree				Strongly Disagree

If you disagree, which area(s) was/were lacking? _____

C. Work Relationships

1. You are satisfied with your supervisor in terms of his/her supervisory/leadership skills.

1	2	3	4	5
Strongly Agree				Strongly Disagree

2. Your immediate supervisor is fair with subordinates.

1	2	3	4	5
Strongly Agree				Strongly Disagree

3. Your supervisor shows interest in your welfare and progress.

1	2	3	4	5
Strongly Agree				Strongly Disagree

4. The working relationship with your peers is generally amicable.

1	2	3	4	5
Strongly Agree				Strongly Disagree

5. You often receive support from your peers in the department.

1	2	3	4	5
Strongly Agree				Strongly Disagree

D. External Factors

Please tick reason for your resignation

- 1. Better pay and job prospects
- 2. Further studies
- 3. Domestic/family problems
- 4. Distance (too far from home)
- 5. Health reasons

Any other comments on your reasons for leaving not reflected above:

Exit Interview Form – Analysis of Scores

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