

FOCUS YOUR TIME AND MONEY Contain Your Turnover

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By Michael Mink

7 Replacing employees strains time and financial resources. To reduce turnover, retain the following:

"Michael Phelps is a superstar swimmer, but would he perform just as well in basketball or football? Certainly not! He excels at swimming because his talent and passion are in perfect harmony with the demands of his sport," said Ali Lakhani, professor of organizational leadership at Chapman University in Orange, Calif.

Similarly, Lakhani says, employees in jobs they love show high levels of engagement, creativity and performance.

Aaron Witsoe, president of consultant Creative Business Resources, shared his successful retention plan: "Many business owners throw a bunch of benefits at their employees thinking this will retain them. It's a myth. Find out what motivates each employee, or employee group if you're larger, and focus on giving them that. It's less expensive and more effective."

** Cater to employees. You can do this and still maintain expectations, says Tim Hall, CEO of Digital Blue, an electronics and software developer for young people.

"Digital Blue's employees enjoy our company's culture and share in our values. We offer flexible work schedules and a fun, relaxed environment where the dress code is decidedly casual and dogs are even allowed," he said.

Tom Mangini, a vice president at the management firm Gevity, suggests establishing a fun budget for activities such as baseball games and go-cart racing.

** Boost incentives. Digital Blue has a profit pool plan, Hall said, "that motivates each member of the team to contribute to the company's success through collaborating with one another, reducing costs without sacrificing quality, and to developing best-in-class products, which will increase sales to retailers and ultimately to the consumer."

Mangini advised firms to "form small teams with their own authority, and tie bonuses to desired goals and objectives."

** Research. When UPS saw the number of female employees in management was down, it found out why -- they felt disconnected.

So the firm created a Women's Leadership Development program and piloted it in 19 UPS districts, touching 6,000 women. Turnover soon dropped 25% among female middle managers, leading to UPS rolling out WLD globally this year.

The program includes UPS Connections, after-work sessions that address issues such as time management, overcoming conflict, even breast cancer. A UPS Web portal offers articles on children, healthy eating and activities like golf.

** Teach. "Even in a tough economy, keeping our valuable team members is as important as ever," said Allen Corey, the CEO of Gordon Biersch Brewery Restaurant Group. "Ongoing training means team members are more comfortable and efficient in their positions.

"Whether it's offering incentives like performance contest rewards for above-and-beyond performance or simply recognition for a job well done, we take an integrated approach to creating a culture that attracts and retains the best talent."

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