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How to Retain Great Employees

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5-6 minutes

10 Tips for Employee Retention

Key employee retention is critical to the long-term health and success of your business. [Managers](#) readily agree that retaining your best employees ensures customer satisfaction, product sales, satisfied coworkers and reporting staff, effective [succession planning](#) and organizational knowledge and learning.

Employee Retention

[Employee retention matters](#). Failing to retain a key employee is costly to the bottom line and creates organizational issues such as insecure coworkers.

Various estimates suggest that losing a [middle manager](#) costs an organization up to 100 percent of his salary. The loss of a senior executive is even more costly.

[Exit interviews](#) do provide one answer because departing employees can provide you with valuable information you can use to retain the remaining staff. Heed their results because you'll never have a more significant source of data about the health of your organization.

Retention Tips

This retention advice will help you keep your best, most wanted employees from job hunting. If these factors exist in their workplace, they are much less likely to want to leave your employment.

1. Make sure employees know what you expect from them.

Management thinkers from Ferdinand Fournies in "Why Employees Don't Do What They're Supposed to Do and What to Do About It" to Marcus Buckingham and Curt Coffman in "First Break All the Rules" agree that constantly changing expectations creates unhealthy stress. Provide a specific framework within which [people clearly know is expected](#).

2. Provide quality management or supervision. People leave companies [because of managers and supervisors](#) more often than they leave because of their jobs.

Frequent employee complaints point to these areas:

- Lack of clarity about expectations
- Lack of clarity about earning potential
- Lack of feedback about performance
- Failure to hold scheduled meetings
- Failure to provide a framework within which the employee perceives they can succeed

3. Provide a platform for employees to speak their mind freely within the organization. Does your organization solicit ideas and provide an environment in which people are comfortable providing feedback? If so, employees can offer ideas, feel free to criticize and

commit to [continuous improvement](#)—all factors that contribute to employee retention.

4. Allow employees to use their talents and skills. A [motivated employee](#) wants to contribute to work areas outside of his or her specific job description. Begin by taking the time to learn your employees' skills, talents, and past and current experience. Then, tap into it.

5. Provide a perception of fairness and equitable treatment. If a new sales rep is given the most potentially successful, [commission](#)-producing accounts, other staff members will inevitably feel cheated.

Salaries are important too. If a staff person with three years' experience is given a \$15,000 raise and more senior staffers receive \$10,000, undoubtedly the morale of the slighted employees will be affected. Even if the employee deserves the raise, recognize that these decisions will have a negative impact on others.

6. Tools, time, and training should be your best friend. When an employee is failing at work, ask, "What about [the work system](#) is causing the person to fail?" Employees must have the necessary means to do their job well. Otherwise, they'll move on to an employer who provides them with the tools to succeed.

7. Remember that exemplary employees want to learn and grow. Unless employees can try [new opportunities](#), take on challenging tasks, and attend seminars, they will stagnate. A career-oriented, valued employee must experience growth opportunities within your organization.

8. Make sure senior management know an employee exists. This is a common complaint voiced during an [exit interview](#). Even the president of a company needs to take time to meet with new

employees to learn about their talents, abilities, and skills. Meeting with each employee periodically is a critical tool to help employees feel acknowledged and results in loyal.

9. Whatever the circumstances, never threaten an employee's job or income. Even if you know layoffs are looming, it's a mistake to foreshadow this information with employees. It makes them nervous no matter how you phrase or explain the information and your best staff members will update their resumes. You shouldn't keep solid information away from people but think before you say anything that makes people feel they need to search for another job.

10. Make staff members feel appreciated. Frequently saying thank you for a job well done goes a long way. And, monetary rewards, [bonuses](#), and [gifts](#) make the thank you even more significant. Raises tied to accomplishments and achievement will help you retain staff probably more than any other action. [Commissions](#) and bonuses that are easily calculated on a daily basis, and easily understood, raise motivation and help retain staff, as well.