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Make sure the competition *never* gets its hands on your top talent. If you want to **keep your best employees**, there's one thing you must do.

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## Use job titles to attract and reward workers

Job titles are a critical factor in your recruitment efforts. The president of one computer service company once tried an experiment: He offered job candidates at far-flung, isolated locations a choice between the title "sales manager" and "salesperson." Although the "salesperson" position paid \$2,000 a year more, most people took the "manager" title. Job titles can provide status and self-esteem. Think of ways you can attract or reward employees with a prestigious-sounding title. <sup>eRR</sup>

—Adapted from "Raise or title? Employees take the title," on Womenconnect.com

## Your daily planner can help you reduce turnover: Here's what to do

Study after study has shown that if employees feel appreciated, they are much less likely to look for another job. Right now, go through your weekly planner for the next six months. Write the name of a different employee on each week. When that employee's week comes up, catch him or her "doing something right"—and dish out the praise. If you schedule your praise the same way you schedule your meetings, your employees may *never* look for another job. <sup>eRR</sup>

—Adapted from *Smart Moves for People in Charge*, by Sam Deep and Lyle Sussman (Addison-Wesley)

## This question will help you hire the top talent in your industry

At the end of the interview, when candidates think the interview is over, ask them one final question: "If I met your former boss at a social function, and asked to hear just one sentence about you, what would that sentence be?" Candidates will not be able to load their answers with fluff, and you should get a pretty accurate picture of the candidates. You can also see how fast they can think on their feet. <sup>eRR</sup>

—Adapted from *Communication Briefings*

## Follow AT&T's lead with this tactic to retain 'plateaued' employees

One reason many employees leave a company is because they reach a "plateau"—and begin looking for new challenges. AT&T retains these employees with a program called Resource Link. Designed to function as an in-house temporary service, Resource Link lets employees with diverse management, technical, or professional skills "sell" their abilities to different departments for short-term assignments. A similar program in your organization may help retain employees who would otherwise leave in search of new frontiers. <sup>eRR</sup>

—Adapted from *Benefits & Compensation Solutions* magazine

## Never stop recruiting the people you work with

The best managers realize that they are in the recruiting business—even if they have nothing to do with hiring employees. That's because they know that if they want to *retain* employees, they have to constantly *recruit* them. Use these tips to help you develop a recruiting mindset:

- **Put employees' needs to work.** In order to recruit your employees, you first have to understand their needs and motivations. Why do your employees do what they do? What drives them? What are their basic needs? Put these elements to work in your recruiting efforts.
- **Match interests with work that needs to be done.** Don't try to jam your workers into jobs that don't suit them—just because you need the work to get done. Find perfect fits, and watch turnover disappear.

- **Judge people on their best days.** Many managers do the opposite: They pass out judgment based on an employee's *worst* day. If you believe in your employees, they will be more likely to stick around when they get another job offer—and your best employees *will* get another job offer.
  - **Recruit from all departments.** Are there people in other areas of the company whose abilities you could use? Always be on the lookout for talent and ideas from all parts of the organization.
  - **Never use guilt to motivate people.** This tactic may work in the short term, but it will eventually drive people out of your organization. <sup>eRR</sup>
- Adapted from the Smart Business Supersite

## Flexible scheduling increases employees' attendance—and productivity

If absenteeism is a problem in your organization, consider offering your employees flexible work schedules. It's a small price to pay and reaps big rewards, as these companies have learned:

- **At Xerox**, one customer service center turned decisions about work schedules over to employees. With employee work teams in charge of scheduling, the company reported higher morale, better customer service, and a 30 percent reduction in absenteeism.
- **At Johnson & Johnson**, absenteeism among workers who made use of flexible work options and family

leave policies averaged 50 percent less than for the workforce in general.

- **At Aetna Insurance**, retention of female employees following maternity leave rose from 77 percent to 88 percent when the company established a six-month maternity leave policy and flexible return-to-work options. <sup>eRR</sup>
- Adapted from *Leading Companies* magazine

## Recruiting from universities: Four tactics that work

Your company can't survive if it doesn't get a steady supply of fresh talent. To mine the best and the brightest college graduates, you have to know how to recruit them. Here are some tactics that work:

- **Evaluate your needs first.** Analyze your organization to determine which areas you want to grow. Then direct your attention to colleges and universities with a reputation for producing the best graduates in these areas that you need to expand—e.g., marketing, technology, communications.
- **Use alumni connections.** Go to your employees and look for alumni ties to schools you're interested in. Personal relationships are a great way to build bridges between top schools and your company.

- **Write specific job descriptions.** Campus job counselors will be better able to steer you toward appropriate candidates if you can be as specific as possible about the jobs you're trying to fill. College students with limited work experience will also want to know as much as they can about the opportunities they're exploring.
  - **Emphasize stability.** Many recent graduates will enter the workplace with a load of debt on their shoulders. Entice them to your organization by emphasizing its position in the industry, its stability, and the long-term opportunities for growth and advancement of workers. <sup>eRR</sup>
- Adapted from *Selling Power* magazine

## Here's a simple trick to help you hire people with follow-through

If you are having trouble narrowing down the number of job candidates, try this technique. *Before* you even interview them, ask candidates to complete a task for you. The task could be simple—such as writing a one-page description of themselves; or complex—such as preparing a report on some aspect of your company or industry. A sizable percentage of candidates won't even bother to do the task. Once the field is narrowed, you can spend more time with those go-getters who followed through on what you asked them to do. <sup>eRR</sup>

—Adapted from *Harvard Management Update*

## Use a Financial Billboard to keep workers informed

Employees who understand the “big picture” at the company are easier to retain than employees who feel as if they don't know what's going on. To keep employees informed, start a Financial Billboard: a large bulletin board where you can post all pertinent financial information—sales figures, revenue growth, expenses, and so on. Once every quarter, hold a training session where you explain what the numbers mean to the company—and to the employees. <sup>eRR</sup>

## Two ways to save the 'unsaveable' employee

Have you ever been faced with an employee who just refused to be motivated? Who didn't do quality work no matter which buttons you pushed? Before letting such employees go, try these two last-ditch strategies to rescue them:

- **Designate a mentor.** Some employees have a problem with authority, and no matter what “the manager” says or does, they don't respond. If such an individual possesses skills, talents, or qualities that are worth salvaging in spite of this attitude, assign a “mandatory mentor.” Pick one of your best employees to work with the person; let your star employee's work ethics, habits, and attitude slowly influence the problem employee. The fact that the mentor is a coworker and not a boss may make a difference.
- **Change the scenery.** Sometimes employees aren't producing because something didn't click from the start—maybe they're in the wrong department, they have no chemistry with a particular coworker, they're not suited to their role, or they just got off on the wrong foot. Often, if you transfer these employees to another department, they'll start to shine. <sup>eRR</sup>

## Use 'guerilla celebrations' to retain employees

Do you know why most employees leave their jobs? Because they get in a rut and are, in a word, bored. Sweep employees out of their ruts by launching “guerilla celebration” attacks. Close the office for one hour on Friday morning to have a “comedy party”—where you show videos of popular sitcoms. Announce on Monday that Friday will be a half-day, for no reason. Have bagels and coffee waiting for employees on a random Tuesday. Keep your employees guessing about what you're going to do next. It's the sort of thing that separates one company from another—and convinces employees to stay put when they're thinking about leaving. <sup>eRR</sup>

## Generate positive feelings with an 'achievements box'

Improve morale in your organization or department with an “achievements box.” Every time something positive happens—a new deal signed, a production quota reached—write it down and put it in the box. At the end of the week, read each piece of paper to employees—it will give them a lift. Encourage employees to contribute their own positive news to the box by drawing one employee note at random for a small prize—a gift certificate to a local restaurant, for example. <sup>eRR</sup>

—Adapted from the Bob Nelson Web site

## Weed out undesirable job candidates with this task

When you interview prospective employees, ask them to write up the “minutes” of the interview. What they produce will often give you an indication of how much they were paying attention, how well they retain information, and how organized their thought processes are. <sup>eRR</sup>

—Adapted from *Smart Hiring*, by Robert Wendover (Small Business Sourcebooks)

## Collect 'turnover causes' with an e-mail box

Dedicate a company e-mail address to employee retention. Set up the address to allow employees to post anonymous messages. Then let everyone know that you are looking for “turnover causes”—those policies, procedures, or problems that cause people to leave the company. You should be able to sniff out potential problems—before they start driving employees out the door. <sup>eRR</sup>

## Four strategies guaranteed to recruit and retain ‘golden workers’

So-called “Golden Agers”—older employees with years of experience—are a valuable asset at any organization. But to recruit these workers—and keep them on board—requires special strategies. Here are four examples that have worked at other companies:

- **Don’t steal their Social Security.** Some workers under age 67 could have their Social Security benefits reduced if they earn too much money. Educate yourself about these issues, and help your Golden Agers play by the rules so they don’t get penalized.
- **Cater to their families.** Many Golden Agers have spent their careers working 40- and 50-hour weeks. They would like to continue working—but on a part-time basis so they can spend time with their families. Offering flexible schedules and part-time positions is a great way to get experienced workers into your company.

- **Don’t “shout” at them.** You’d be surprised by how many otherwise intelligent managers actually speak much LOUDER when they talk to older workers. These same managers also assume that Golden Agers don’t know anything about technology. Throw all your stereotypes about older workers out the window and treat them the same way you treat *all* your employees—with respect.
- **Teach these old dogs new tricks.** Many managers believe that older workers don’t want to expand their skills. Wrong. Golden Agers are like everybody else: They enjoy challenges and want to learn new things. Give them the same training opportunities that younger workers get. ERR

—Adapted from the Hewlett-Packard Small Business Tips Web site

## Use diversity to your advantage when teamwork is critical

Having a diverse workforce is one thing; *managing* it well is quite another. When you mix diversity with teams, there are some special problems you’re likely to encounter. The following tips will help you make intelligent choices when you apply diversity to teamwork:

- **Figure out where you need diversity first.** Cultural diversity is a big help in departments that need innovative thinking in order to perform; the mix of people with different backgrounds can generate more creativity and a wide range of ideas. Diversity can be a problem, though, for staffs working on simple, repetitive, or routine tasks: Different norms and customs can make even

simple agreements tough to reach. Think about this when planning any kind of diversity initiative for your group.

- **Focus on ability—not background.** Whether you’re hiring new workers, assigning tasks, or setting up teams, don’t select people for their similarities or differences. Concentrate first on what skills they can bring to the group.
- **Target some cooperative goals.** When the group has something to work toward as a team, they’ll focus on the goal more than on their individual differences. ERR

—Adapted from *Credit Union Management* magazine

## Retaining younger workers isn’t hard *if* you know what to do

Career counselors call younger workers “hummingbirds” because they flutter from job to job. But while it’s hard to get Generation X workers to stay put, it’s not impossible. Not if you follow these strategies:

- **Beg for their opinions.** Studies have shown that one way to reduce turnover with younger employees is to convince them that you value their opinions. Surveys of younger workers always indicate that the top quality they look for in a boss is “someone who listens.” Don’t just ask them for their opinions; beg them.
- **Give them some space.** Younger workers don’t like bosses who hover over them. They want to work at their own pace, according to their own style. Help them set their goals, and then give them the freedom to reach those goals any way they see fit.

- **Let them see your face.** Despite the fact that most young workers are comfortable with technology, they also put a premium on face-to-face feedback concerning their performance. The more you meet with them face-to-face, the happier they’ll be.
- **Focus on short-term incentives.** Younger workers want incentives *now*—such as flexible work schedules, performance-based monetary incentives, increased freedom in the workplace, and other programs where they can reap the benefits immediately. Long-term, big-picture incentives, such as a 401(k) plan, aren’t as effective in recruiting or retaining younger workers. ERR

—Adapted from *Communication World* magazine

## Loose leave policy pays off

As long as they get their jobs done and stay in contact with managers, the 210 employees of Massachusetts-based interactive media firm **TechTarget** can set their own work hours and take as many sick, personal, or vacation days as they need. Rather than breeding slackers, the policy has bolstered commitment and retention—translating into a 30 percent revenue spike this year, to \$35 million. Founder and CEO Greg Strakosch calls the open-leave policy “a competitive weapon.” Quarterly performance goals and deadlines keep employees focused. Strakosch calls TechTarget “an entirely results-oriented business. This isn’t a country club.”

—Adapted from “Open-door management,” by Patrick J. Sauer, in *Inc.* magazine

## Create a ‘personal development fund’

Recent studies have proven that one way to retain top talent is to constantly bombard employees with training opportunities. **The Horn Group**, a San Francisco–based public relations firm, retains employees by offering them cash that they can spend on any type of training they feel would help them do their jobs better. President Sabrina Horn says employees use the “personal development fund” in a variety of ways: time management seminars, writing courses, and more. It’s probably not a coincidence that The Horn Group once garnered the title of “Best U.S. Employer” from *Working Woman* magazine.

## Involve line workers in strategic decisions

Low-wage employees will feel more committed to your organization if you can truly involve them in the decisions of the firm. **Whirlpool** earns the support of its line workers by placing some on strategic teams along with top managers and upper-level executives.

The workers, some of whom earn \$12 an hour, help make decisions involving Whirlpool facilities in the U.S. They travel abroad with executives to new manufacturing facilities to help top management gain a better perspective on production and labor issues.

—Adapted from “Leveraging a low-wage workforce,” by Samuel Greengard, on Workforce Online

## Keep employees on board with training

One powerful way to keep employees motivated and enthusiastic is to provide opportunities for education and training. The goal of **Lucent Technologies**, for example, is to provide employees with 15 days of training each year. In addition, every worker designs his or her own “personal development plan” with the assistance of a coach from human resources. If you give employees the chance to develop their skills within your organization, they’ll be less likely to leave in search of other opportunities.

—Adapted from “Feeding the appetite for worker education,” by Carol Pine, in the *St. Paul Pioneer Press*

## Retroactive raises help new hires stay with you

Managers of some **White Castle** restaurants report that they’ve successfully motivated new hires to stay on the job by promising an automatic wage increase going back to their start date. The raise is typically in the 50¢-an-hour range, and kicks in anywhere from 30 to 90 days, depending on the manager’s discretion. *One danger:* Some employees take advantage of the offer by quitting just after collecting their retroactive payment. However, the chain has found that if an employee stays with a restaurant for six months, chances are good that he or she will remain for the long term.

—Adapted from “Retention span,” by Ann Stone, *Restaurants and Institutions* magazine

## Thank-you cards can be valuable retention tools

**A&G Merchandising Company** in Wilmington, Del., has reduced turnover with a simple tactic: It gives team leaders specially printed packets of thank-you cards to hand out to employees who do exceptional work. This trick works for one reason: *Asking* team leaders to thank outstanding employees is not enough, because they may or may not do it. Providing managers with thank-you cards, and then meeting with them a couple of times a year to make sure they are using them, is what drives turnover down.

—Adapted from *The Complete Idiot’s Guide to Managing People*, by Dr. Arthur R. Pell (Alpha Books)

## Reward employees while slashing travel expenses

Looking for a morale-boosting reward that actually cuts your expense budget? Give cash bonuses keyed to how low employees can keep their business travel expenditures.

The least expensive route is to offer low-cost awards to top travel penny-pinchers. This approach gets people thinking about ways to save in the context of a fun competition. New York–based tourism marketing firm **Development Counsellors International** has found great bottom-line success in giving out monthly Frugal Aardvark Awards along with \$5 gift certificates to a nearby coffee shop.

Canadian trash hauler **1-800-GOT-JUNK?** rewards frugal travelers in two ways. If employees use their own frequent-flier points to pay for a business flight, the firm pays them 75 percent of the ticket’s advance-purchase value. And if workers spend less than their allotted per diem while on the road, the company kicks back half the savings to them.

—Adapted from “Companies use cash incentives to save on travel expenses,” by Melinda Ligos, in the *New York Times*

## The 10 worst hiring practices— and how to avoid them

by Frank Sennett

Eric Lane and Michael McNeal have four decades of staffing experience between them. In that time, they've either seen, or made, every mistake in the hiring book. While speaking at an HR tech conference in Chicago, they shared a Top 10 list of bad staffing practices—along with practical tips for avoiding each pitfall.

### 10 No employer brand

Rather than attracting candidates with job descriptions that are the same as everyone else's, sell recruits on what's exciting about your company's mission. That might mean tying your recruitment strategy into your company's overall branding effort, says McNeal, cofounder of employment software provider PureCarbon.

Everyone remembers the Dell pitchman saying, "Dude, you gotta buy a Dell," for instance. "So how come we're not seeing, 'Dude, you gotta *work* at Dell?'" McNeal asks. "Dell should be saying, 'Not only are these machines cool, but so are the jobs here. You get to decide what the computers will look like next, how they work, how they interact, the packaging—all of that.'"

Detailing the meaningful aspects of working at your firm is another way to build a strong employer brand. "We make software like Quicken and TurboTax—not very sexy stuff," says Lane, director of executive staffing for Intuit. "But having a meaningful story is really powerful right now. I talk about the future of the company—what we've changed about our marketing, how it's not just a shrink-wrapped software company anymore." How is *your* company improving lives? That should be part of your employment branding message.

### 9 No strategy for targeting job ads

You can reach the world these days with the click of a computer mouse. But should you? "Targeting your job ads is very important," Lane says. "If 10 years ago I told you, 'I've got this great idea: I'm going to run an ad in every paper in the United States and I'm going to do it for the next six months,' *you* would have said, 'What kind of idiot are you? You're going to clog up the whole system. You'll never be able to respond to all those people. You'll never be able to do the things you need to do in terms of servicing them.' And yet people do the equivalent online today."

Before placing any job ad, understand the market you'll be reaching, make sure the ad will disappear after a set time, and devise a method for managing the response.

*One tip:* Targeted e-mail campaigns can help fill key positions. Lane described an executive search he completed at Intuit to fill a Six Sigma VP position. (For the uninitiated, Six Sigma is a process by which companies perfect their production methods.) Lane crafted an e-mail highlighting the position and the fact that the hire would report to the CEO. The message included a link to the CEO's background page on the corporate Web site. It also talked about the person who had filled the VP role before moving on to a new internal role. After linking to a page about that person's background, the message directed recipients to a streaming video of the CEO discussing Six Sigma and what he wanted to see in the new VP.

The e-mail went out in two stages. The first mailing went to the 160 or so Six Sigma-certified employees at Intuit. A week later, the message was sent to targeted Six Sigma individuals outside the company as well as authors of books on the process. Lane asked them to refer candidates they had talked to as part of their research.

"The response was targeted, it was specific, and it led to employee recognition that the CEO really knew about Six Sigma," Lane recalls. "It built on the idea of using e-mail as a way not only to communicate to employees, but to the world. E-mail is your cheapest, most direct approach for a targeted recruitment campaign right now."

### 8 Bungling of employee referrals

Asking for employee referrals and then sitting on them "is the quickest way to be considered a stinking staffing function internally and externally," McNeal says. Before soliciting referrals, establish a procedure for promptly processing them—and for allowing employees to check on the status of candidates they've brought in.

Otherwise, your employees will be embarrassed when their friends ask them what happened to the referral. This embarrassment factor will not only reduce the overall number of referrals you get, but it will lower the quality of those referrals. "If your employees think they've got superstars for referral and they think they're going to be treated badly, they're just not going to give them to you," McNeal says.

### 7 No plans for interviewing

This should be a no-brainer, but in many firms managers still have no discernible interview plans. "There's no agenda," Lane notes. "There's no coordination among interviewers."

Thirty nanoseconds before the interview, you're reviewing the candidate's résumé. These mistakes lead to a lot of bad word about the company going out in the marketplace."

## 6 No consistent assessment method

Start by coaching interviewers to improve their listening skills. This will improve the quality of the data collected during the interview. Then, instead of making hiring decisions before the interviewee is even out of the building, spend an hour or so writing down, discussing, and thinking about the data that was gathered. Look for specific competencies and personality traits that make the candidate a good fit for both the position and your corporate culture.

"Focus on screening people *in*," Lane suggests. "Most interviewers screen people *out*. Now, 99.999 percent of people I've ever interviewed got a job. They just didn't all get a job at my company. My job when I'm talking to the individual is to find out what they've done, what they've done best, what they have liked to do best, and how that might fit into my company. The concept of screening the candidate radically changes the interview process: Let me find out what you really could do, then I'll find out whether it fits here."

## 5 No recruiter training

You'd never send salespeople into the field before they understood your products and services, yet most companies don't train contract recruiters before allowing them to screen candidates. "Recruiters will recruit the way they did at their last place," McNeal says. "If that's not consistent with the way you recruit, guess what? They don't know that."

Teach recruiters everything—from your interviewing style and assessment methodology to what it is your company does and how it fits into the marketplace. The more recruiters know, the more useful their candidate screening process will be.

## 4 Unskilled managers

Anyone charged with bringing candidates before managers for hiring approval has dealt with the frustrating feeling that the managers don't understand the recruiting process. The only solution? Bring them up-to-speed. Lane suggests outlining a five-step process for how your company defines positions, generates applicants, assesses candidates, makes offers, and conducts orientation.

Even if HR professionals don't handle every aspect of the hiring process, "If any of it breaks, it's our fault," he says. So learn the process cold and teach it to anyone who'll listen.

## 3 No customer service

Top HR performers provide strong customer service inside and outside the company. "And if you really believe in customer service, you're always looking for feedback," Lane says. "What does the recruiter think? What does the candidate think? What does the manager think?" Develop postinterview surveys for candidates—as well as surveys managers and recruiters can use to assess the entire hiring process.

## 2 No influence


Have you ever presented a manager with a range of candidates only to see him or her pick one you didn't like? "I don't know how many recruiters I've talked to who said, 'I could have told them that was the wrong hire,'" Lane says.

If that happens, look in the mirror. "That means I didn't do my job well enough," Lane suggests. "I didn't get a better candidate in front of the manager. I didn't get them to think ahead about the process. There's no better fix than coming up with candidates so compelling that the manager can't hire the wrong person."

Another way to become part of the inner circle is to develop meaningful data about how making the right HR decisions can bolster the bottom line. "You have to show managers that, 'By doing this, we'll get this business result,'" McNeal says.

## 1 No action

The easiest way to keep your hiring process stagnant is to spend an inordinate amount of time planning for change. "I don't know how many places that Michael and I have been that had a plan, they had a strategy, they had their process announced, they had benchmarked the whole world—and then they just didn't move," Lane says.

Don't be afraid to make improvements based on common sense and your own fresh ideas. Too often when HR managers embark on a benchmarking project, "By the time you get the new process implemented, it's old, it's stale, it's used, it's already done," McNeal says. "Your gut instinct is probably accurate. You can get a lot of paralysis around the analysis." 

**Which of these 10 hiring flubs does your company commit on a regular basis? Tackle them one at a time, and pretty soon other firms will look to you for their best recruiting practices.**

## Make time to network with your staff

As a manager, it's easy to get so caught up in your administrative duties and personal projects that you overlook a primary rule of management: *Keep in touch with employees*. It takes time and effort, but it's the only way to build and maintain an effective, balanced workforce. Here are three easy ways to network with your employees:

1. **Walk around.** Take to the halls. Talk to people along the way. Visit employees in their offices or at their workstations. Respond to their phone messages or e-mails in person. There is no substitute for face-to-face contact in building a trusting and familial atmosphere in the workplace.
2. **Join company sports teams.** By immersing yourself in the camaraderie endemic to company sports teams,

you'll be associated with the can-do spirit on the field, as well as in the office. Plus, many employees are more apt to discuss problems, concerns, and ideas with you when away from the formality of the office.

3. **Join committees.** Whether it's an employee committee forming to redecorate the snack lounge or to plan a holiday party, join it. Employees will realize you're not only interested, but are opening up a new conduit for feedback of any nature. <sup>ERR</sup>

## How to entice employees through workload crunches

Your staff is overworked, and if you don't do something about it *now*, you're going to start losing some of your best people. Here's what you can do immediately to turn the situation around:

- **Be the one to bring it up.** Make certain your people know that you recognize how hard they're working. Some managers actually believe that if they don't talk about it, employees won't notice it. *Wrong!* They'll notice the extra workload—and resent you and the company for not addressing it.
- **Explain the reasons behind the increased workload.** Often, employees will put up with being overworked as long as they understand *why* it is happening—a push to beat a competitor to market, for example.

- **Give them extra resources.** Ask employees what you can do to help them survive the rush. Do they have the equipment they need? Would hiring interns or temps help? If employees think you're sincere about helping them get through the work onslaught, they won't entertain thoughts of leaving the company the first chance they get.
  - **Drop low-priority projects.** Do anything you can to relieve the pressure. Are there projects you can drop—or at least put on hold until the staff has more time to handle them? Cut as much as you can, so employees can focus only on high-priority jobs. <sup>ERR</sup>
- Adapted from the Hard at Work Web site

## Learn to listen to your employees

Do you listen to your employees? *Really* listen? Letting employees talk is not the same as listening. You have to work at it, the same way you work at anything else you want to succeed at. Here are five things to remember that will make you a better listener:

1. **Put your work away.** As soon as an employee comes to you and wants to talk, put away whatever you're working on. Remove all temptation to do anything other than give your full attention to the employee.
2. **Bite your tongue.** One of the first signs that someone isn't listening is when he or she cuts off the talker in midsentence or midthought. Make sure your employee is finished before you begin speaking.

3. **Smile and lean forward.** You'll be amazed at the effect a simple smile can have. By smiling and leaning forward, you send the message that you're fully engaged in what the person is saying.
4. **Always ask questions, even if you don't have any.** Questions tell the employee that you've been listening, and are truly committed to resolving whatever issue is being discussed.
5. **Start your own comments by paraphrasing the employee.** Again, this tells the employee that you've been listening; it also helps you get the issues clear in your own head before you speak your thoughts. <sup>ERR</sup>

## What's the best way to reduce turnover?

Better compensation and benefits are the top methods of employee retention, according to a survey by Manchester Partners International, an HR consulting firm with 145 offices across America. Respondents from the 400 U.S. companies surveyed also revealed other factors that will keep employees from leaving:

- Careful selection in hiring
- Tuition reimbursement
- Stock options
- Profit sharing
- Casual dress codes
- Improved training
- Flexible hours <sup>CRB</sup>

## The high cost of turnover

According to Maria Grant, Deloitte & Touche partner in charge of the human capital program in Michigan, it costs \$12,000 in recruitment and training expenses to replace the average nonprofessional worker and \$35,000 to find a new professional employee. At the Families and Work Institute, experts tell companies it will cost about 75 percent of a nonmanagerial worker's annual salary to replace him or her and 150 percent of a manager's annual salary. <sup>CRB</sup>

## What are you doing to fully engage your employees?

Only 17 percent of today's workers are highly willing and able to contribute to their organization's success. HR consultant Towers Perrin quantified that level of engagement after asking 40,000 U.S. and Canadian employees about their workplace attitudes. An alarming 19 percent of workers have mentally checked out of their jobs, the research indicates. A majority, 64 percent, are moderately engaged in their work.

How important is an engaged workforce? Two-thirds of highly

## People

What my years of business experience have taught me is that the key to competitiveness is innovation, and the key to innovation is people. Taking care of people, therefore, is an essential way of taking care of business.

—Randall Tobias,  
chairman of Eli Lilly

## Ideas vs. reality

The most important thing any company can do is hire the smartest people possible and then give them the resources to transform their ideas into reality.

—Bill Gates, cofounder of Microsoft

## Community = retention

If people feel like they're part of a workplace, then they're going to have more resistance to leaving. They're not just leaving a job, they're leaving a community, and it takes a little bit more of a tug for that to happen.

—Richard Hadden, coauthor of *Contented Cows Give Better Milk*

## Subordinates

If you don't understand that you work for your mislabeled "subordinates," then you know nothing of leadership.

—Dee Hock, founder of Visa

engaged workers have no plans to look for new jobs, but 88 percent of disengaged employees and 64 percent of the moderately engaged are ready to go. Losing the disengaged is desirable for employers, but many moderately engaged workers are well worth retaining.

"There is a vast body of employees waiting to be fully engaged if management takes the right steps," says Don Lowman, managing director of Towers Perrin. That means giving them management support, challenging work, and making a clear connection between their performance and the organization's overall success. <sup>CRB</sup>

## Know the demographics of your workforce

A poll of 660 working Americans, conducted by management search firm BridgeGate LLC, looked at reasons why workers choose to continue working for their current employers. Though "a raise" was the most popular response—cited by less than half the respondents (43.2 percent)—50.5 percent named factors other than money. A demographic breakdown of survey respondents provides clues about what it takes to increase employee loyalty:

- Women value flexible work schedules more than men do (17.3% vs. 11.2%).
- Men are almost three times more motivated by stock options than women are (12.0% vs. 4.7%).
- A raise will mean more to workers ages 25–34 than to those in other age groups (52.3% vs. 43.2%).
- Benefits are more important to older workers: 30.1% of the 45–54 age bracket, and 36.7% of those ages 55–64, as compared to 23.1% of all the respondents.
- Younger workers (ages 18–24) are more likely to be influenced by training opportunities (10.7% vs. 4.7% for all respondents). <sup>CRB</sup>

## Your company may be suffering from 'Employee Discontent'

There are clues you can look for to determine whether your employees are unhappy and likely to leave your organization. Fortunately, you can use those clues to turn the situation around. Here are seven warning signs to take seriously, and advice for countering each one:

WARNING SIGN	ANTIDOTE
<b>Employees . . .</b>	<b>Here's one thing you can do . . .</b>
rarely participate in meetings	Rotate meeting leadership so that every employee has the opportunity to run a meeting.
show a lack of creativity or innovation	Designate a specific time to brainstorm and discuss new ideas.
start to form cliques	Arrange interdepartmental get-togethers to help employees become better acquainted.
rush out the door at closing time	Recognize people who have stayed late or put out extra effort to complete a project or achieve a company goal.
seldom smile or laugh	Cultivate an atmosphere of fun in the workplace with a joke board where people can post cartoons and funny stories.
won't share their personal lives	Set the example by talking about your own life outside of work—what you did over the weekend, special hobbies you're pursuing.
stay away from the manager	Ask yourself what you're doing to discourage communication: Do you become angry when you hear about mistakes? Do you frequently use sarcasm? <small>eRB</small>

—Adapted from *Customer Service & Retention*

## Use these strategies to reduce stress—and turnover

Nothing drives employees into the clutches of your competitors faster than stress. Employees who constantly feel stressed out at work will assume the grass is greener at a different company—and walk out the door. Here are some tactics to reduce stress in your company:

- **Put out a “carb table.”** Research shows that there's a powerful link between food and stress. Carbohydrates set off a series of biochemical events that produce serotonin, the chemical that controls the brain's stress management system. Serotonin makes us feel calm and in control. Set out a “carb table” in the office—with popcorn, pretzels, and other low-fat, high-carb snacks.
- **Help employees track their time.** One of the biggest reasons employees stress out is because they feel they're not getting enough done—and that they're always behind. Help your employees manage their time better by encouraging them to keep logs of their daily activities. With hour-by-hour logs, employees can see what times of the day they have the most energy, and what tasks they were able to accomplish. Then give your workers the freedom to

adjust their schedules within reasonable parameters in order to use their high-energy time to the best advantage.

For example, if certain employees can't concentrate until after their first cup of coffee, then let them work on simple, low brainpower tasks until 10 o'clock. You'll get more productivity and happier, stress-free workers.

- **Don't let untimely promotions cause stress.** Another leading cause of stress is when employees get pushed into jobs they're not yet qualified to do. They get in over their heads, stress out, and eventually quit. You can avoid this by assigning some of the responsibilities of the new position to the person you want to promote. Say nothing about the possibility of promotion until you see how he or she handles the job. Put every newly promoted person on probation, and start out with job titles like “Acting Production Manager.” By easing employees into new positions, you can keep their stress levels low. eRB

—Adapted from the *Executive Report on Customer Satisfaction*

### Do you know your company's 'Stress Index'?

Management consultant Mark Graham Brown works with managers to help track the stress levels at their companies. He urges managers to keep a close watch on the following factors, which he says make up the “Stress Index” at any given organization:

- Average number of hours worked per week
- Incidence of illnesses
- Number of stress-causing events in the workplace (layoffs, shrinking profits, major projects, etc.)
- Employee measures of stress levels (collected via phone in random, anonymous telephone surveys)

**Keep workers in the loop or they'll say goodbye**

Workers kept up-to-date about important issues by their employers are highly likely to stay on the job. That's the word from a survey of 2,600 employees by Mercer Human Resources Consulting. Only 15 percent of those who enjoy strong workplace communications are thinking of seeking new jobs, compared with 41 percent of people at tight-lipped organizations. <sup>ERR</sup>

—Adapted from the *Charlotte Business Journal*

**What are the most important traits for bosses?**

By a wide margin, white-collar workers value honesty and integrity in a boss more than any other traits, according to a survey of 570 U.S. employees conducted by Right Management Consultants, a career transition and organizational consulting firm.

When asked, "What is the most important trait or attribute that the leader of your company should possess?" 24 percent of polled workers cited honesty, while 16 percent named integrity/morals/ethics. Caring and compassion came in a distant third at 7 percent, closely followed by fairness

**Work**

Adults need meaningful work in the same way that children need interesting play, in order to fulfill themselves as persons.

—Al Gini, philosopher

**Investments**

If you want a return on your investment in people, the first thing you've got to do is invest in them. You hire them and train them and develop them—you do all the things that will cause them to have the skills and abilities and motivation to do an effective job. You can't sit there and say, "Gosh, I don't know why my people aren't doing a good job," when you haven't put anything into it.

Nothing in, nothing out.

—Jeffrey Pfeffer, business professor at Stanford University

at 6.5 percent, and a good relationship with employees at 6 percent. That does not mean such traits aren't highly valued, however—just that they're not the single most important attributes workers look for in their managers.

Honesty tends to be more important to older workers than younger ones, the survey indicates. Thirty-eight percent of respondents in the 55- to 64-year-old age range cited it as the top trait for managers, compared to 16 percent among employees ages 18–34. <sup>ERR</sup>

**What do workers want? You may be surprised**

A Saratoga Institute survey of more than 1,000 U.S. workers asked employees to identify factors that would make them more likely to remain with their current employers. The top three responses:

1. **Training and mentoring**
2. **Earnings potential**
3. **Positive work relations**

Job security was also important: Only 27 percent said they were likely to stay where their long-term employment prospects were weak. <sup>ERR</sup>

—Adapted from "Employers must learn what employees want," by Carl A. J. Wright, in the *Baltimore Business Journal*

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### Nurture your staff with opportunities to shine

The best way to help develop and nurture your staff is to create opportunities for them to practice and exhibit their expertise. What kind of opportunities? Try these:

- **Include staff members in meetings.** When you have a meeting with an upper-level executive or a key customer, invite a staff member along. Don't let the person just sit there, though. Assign him or her a meaningful role—presenting and explaining a section of the financial data under discussion, for example.
- **Grant the staff some autonomy.** Give your people the chance to solve a particular problem or complete a specific project without relying on your direction. Be sure all the

relevant people in your organization understand the scope of your group's authority. *Caution:* Set some limits so that mistakes cause minimal damage.

- **Bring employees into your network.** Introduce members of your staff to the colleagues and professional acquaintances who have been helpful in your career. Try not to overdo it, or people will think you're running a networking club. Make yourself available to meet with and mentor your colleagues' associates as well. <sup>eRR</sup>
- Adapted from *The Complete Idiot's Guide to Leadership*, by Andrew J. DuBrin (Alpha Books)

### Become a 'campaign manager' to top employees and they may never leave your organization

Do you have some employees who *always* seem to go the extra mile? To retain these superstars, try this tactic: Help them run for office in an industry trade association. If they win, take away some of their other work so they can handle the extra responsibilities they'll have to take on. The employees will appreciate your efforts on their behalf—

and when that next job offer comes in, it may be enough to get them to stay with your organization. *Added bonus:* Having your employees in those positions will give your organization positive publicity. <sup>eRR</sup>

—Adapted from *Customer Service Management Report*

### Ten sentences that will help you retain your best employees

Telling people "You're doing a great job" isn't going to make them want to stay at your company. It isn't specific enough. Praise *can* help you retain your top employees—but only if it is detailed and relevant. Develop an arsenal of "openers" that you can use to keep your praise specific. Here are 10 to get you started:

- "You really made a difference by . . ."
- "I'm impressed with . . ."
- "You got my attention with . . ."

- "You're doing top quality work on . . ."
  - "You're right on the mark with . . ."
  - "One of the things I enjoy most about you is . . ."
  - "You can be proud of yourself for . . ."
  - "We couldn't have done it without your . . ."
  - "What an effective way to . . ."
  - "You've made my day because of . . ." <sup>eRR</sup>
- Adapted from *Mark McCormack's Success Secrets*

Each month, our editors will deliver to you current field-tested tactics—from your colleagues and from experts—that you may use immediately to recruit and retain exceptional people.

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