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Got Growth

Good help is hard to find, retain, replace

Save time, money by keeping your employees challenged, motivated

**Premium content from Sacramento Business Journal - by Larry Mandelberg,
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The cost of replacing an employee averages 150 percent of the annual wage of the person being replaced, according to several human resource studies. And that only tells part of the story. The replacement, once hired, takes about 13½ months to achieve an equivalent degree of efficiency.

Even in this depressed labor market where many intelligent and talented people are looking for work, the real problem faced by businesses today is retaining their best — those people with the historical and institutional knowledge that are the heart and soul of every organization.

RETAIN THE BEST

But how can you make sure those valuable employees will stay with you when you don't know how they are feeling?

Begin with the premise that your efforts must be proactive, not reactive, and ongoing, not situational. Waiting to act only gives the employee with doubts time to justify his or her feelings and find a good reason to leave. And by the time you find out they are leaving, their decision has been made.

There are two aspects to this issue, each requiring a different approach. First is the need to

keep your best and brightest challenged and engaged.

Your best employees are the ones that understand the business, value the products and services they provide to customers and enjoy working with customers to help make their lives and businesses better. It's a win-win-win scenario.

But it demands multitasking along the way. While delivering value to customers, your staff must also identify areas of weakness and work on improving them and at the same time develop creative and innovative ideas that will help the organization grow and serve its customers in new and better ways.

One approach is to engage your top performers in strategic efforts that will help them find new ideas they can research and implement without your guidance or oversight. Begin by identifying a strategic objective, share it with your top performers and have them work on the issue. Send one of them to a class to gather critical thinking best practices and bring that knowledge back to the team.

The bottom line is that good employees enjoy a good challenge. When everything is running smoothly, you might be happy, but your employees tend to get bored. And a bored employee is an unmotivated employee. Your job is to make sure they stay engaged and thinking about what they can do to improve the business.

IMPROVE THE REST

The second aspect of staff retention is improving the quality of the under-performers. Begin with the premise that everyone wants to do a good job, and that cannot happen until you make their job crystal clear to them.

Your role as their leader is to ensure they understand the value the business is delivering to its customers, their customers. They must understand the role they play in that process and have some way to connect to the ultimate success of the business.

Give your staff clear objectives and measure their performance. When they perform, reward them. Sometimes a little bit of recognition or praise is all it takes. When they don't perform, use the opportunity to educate and explain how and why their actions hurt the company and you. This is not the time for criticism.

The moral to this story is a simple one — treat your staff as if they are the most important component of your business. After all, there is no way you can have more direct and regular contact with your customers than your staff can. If they don't make your customers feel valued and appreciated, nobody will.

So focus on your staff and help them become the kind of employees you want them to be.

You might be surprised at how positive their reactions are.

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