



OPTIMIZING STAFF RETENTION IN YOUR ORGANIZATION



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OPTIMIZING **STAFF** RETENTION

Many times companies are too slow to act when people are leaving and a huge turnover is occurring. Some companies also take the wrong approach to large turnovers in staff, believing that individuals should appreciate that they have jobs and/or feel that staff are better off leaving than staying at their company.

Increasing employee retention is a smart and necessary way of enhancing productivity in all organizations. Ultimately, high staff turnover rate hurts the company in the long-run and is best avoided. There are many methods that can be used to retain staff in an organization, ranging from financial incentives to social relationships.

Why do people leave a job?

People leave a position for many reasons such as:

- The position is not challenging enough and not what the individual expected.
- The position is too challenging for the employee and she/he cannot handle the stress and scope of duty.

The position asks the employee to do something that the employee feels uncomfortable doing (ethical conflicts, different job nature, etc).

The position is not paid well and the employee feels that he is not compensated fairly.

There is too much overtime.

Coworkers do not contribute to a positive work environment and create a negative pressure on the employee.

There are many other reasons why employees leave a job. However, staff retention can be easily increased and sometimes with almost no additional cost.

Ways to increase staff retention

There are several effective methods companies can implement to increase staff retention. Most fall under two categories, ones that motivate through financial incentives and the others that motivate through different management policies. Both categories will be discussed.

Financial incentives

One of the key incentives to employees staying long term with your organization is compensation – Are the employees being compensated fairly? Employees

will not be compelled to seek new job opportunities if they are compensated at a fair market level, for the role they are performing. Paying between 70th to 75th percentile salary level can almost reduce your turnover rate to a healthy range. However, this is sometimes not feasible for every company. A company can try other techniques to provide additional financial incentives for its employees.

Equity compensation

Equity compensation is a fantastic way of retaining staff in a corporation. Granting stock options or restricted stock to employees with a vesting period gives the employees a really good incentive to stay with the corporation. People will want to stay through the vesting period in order to receive their stock options or restricted stock. Equity compensation is also quite affordable because individuals who decide to quit before their vesting is realized will not get to enjoy the benefits of this.

Additional benefits

Families sometimes have difficulty struggling between raising children and working a full-time job. Benefits aimed at these families may include items such as providing support for education and daycare, allowances for commuting, etc. These benefits can help the employee lead a more balanced and relaxed life, reducing stress across various sectors of life.

Management policies

A lot of employees leave their position because they are not satisfied with how they are treated in their work environment. To change management policies to better suit employee needs can sometimes be much more difficult than offering extra benefits or financial incentives. Regardless, here are still a few general management principles that can be implemented to help increase the staff retention.

Overtime abuse

If employees are constantly staying late at their company their productivity will begin to diminish as fatigue kicks in. An employee will not be able to have as much motivation if they are constantly working until way past their typical working hours. In addition an employee's health will begin to deteriorate and their commitment to the company might begin to wear. If overtime begins to create conflict at home, then that additional pressure will also begin to influence an employee.

Overtime at work may be necessary in some situations, however abuse of it and forcing employees to stay well past their time can create a lot of tension and lack of trust between the employee and the company. This type of the scenario encourages many employees to seek out other opportunities for work and increases the employee turnover.

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Overtime work can be very understandable in many situations, however abuse of overtime and forcing employees to stay well past their time can create a lot of tension and lack of trust between the employee and the company. This type of the scenario encourages many employees to seek out other opportunities for work and increases the employee turnover.

In order to fix this type of dilemma, a company must address the issue directly using financial needs or policy changes. If there is overtime consistently because there is too much work then the company should consider hiring more individuals instead of using a small group of people.

If there is overtime due to cultural reasons (for example, the boss has not left the office yet) then that can be easily fixed with a much more clear message to employees that it is alright to leave despite higher management still in the office.

Respect for employees

Another item that is very simple but is often disregarded is the respect management and the company should have towards its employees. It is imperative that management treat its employees with courtesy and respect even if they have made a mistake. Encouraging a culture of open communication in which mistakes can occasionally occur is one of the most conducive environments employees can work best in.

Other ways to increase staff retention include:

- Be Generous In Recognizing Good Work
- Offer Time Off, Afternoon Off Or Day Off
- Career Advancement And Personal Growth Opportunities
- Weekend Resorts Or Regional Trips
- Cultivate A Praise Culture
- Offer free refreshments/snacks
- Place a basket of apples at reception area
- Provide Gym memberships, etc

Staff retention in a company is a goal for many leaders. High turnover rate is not only unhealthy for the company's reputation and culture, it also drains the company of a lot of resources. We can employ a combination of financial incentives and different management policies to achieve the best results in keeping staff retention at an optimal level.

A group of four business professionals, two men and two women, are gathered around a table in a meeting. They are all dressed in professional attire, including suits and blouses. The man on the far right is looking directly at the camera with a slight smile, while the others are looking down at documents or laptops on the table. The background is a solid, warm orange color.

This guide is developed by Platinum International Consultants.

We hope our clients, through our insights and advice, are able to achieve a healthy staff turnover rate. Equipped with the right set of talent, they will soar to the skies and become world-class companies of tomorrow.

You may also want to visit our website (www.platinumic.com) to acquire more resources on how you can strengthen your talent management for your organization.