



Bulletin

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Five Keys to Keeping Employees in the Fold

"The war for talent has never been fiercer," notes compensation software provider PayScale. "This isn't 2008; we're years past the height of the recession. No wonder hiring managers are finding it harder and harder to attract the right kind of talent, because talent has more choices and options than ever before."

The competitive hiring environment makes it even more important to retain high-performing employees, particularly if a company has already invested time and resources into training them and grooming them for greater responsibilities.

"Most employees are 'at will' and free to resign when they please and with or without notice," says PayScale, and "employers can't control turnover, at least not 100%." But they "can create a culture that encourages employees to stay. It takes mindfulness and forethought, but great employers do it every day."

Fair Market Value

The company offers these five tips for retaining top employees—and, yes, the first is about compensation, but the other four have nothing to do with money:

- **Fair Pay:** "What does fair pay mean to your employees?" asks PayScale. "Often it means paying fairly compared to the market value for the job, fairly based on stated organizational values and priorities, and fairly based on their performance and results."

"There's a strong connection between pay practices and retention," but "it's not enough to pay people well, you also have to talk to them about how you're paying them." PayScale found that when the rationale for lower pay is clearly communicated to employees, 82% report being satisfied with the job despite the pay.

"Have data-driven conversations and explain the rationale for their pay," it advises. "For most workers, pay isn't just a matter of dollars and cents. Pay strongly implies worth. You want your compensation to motivate, not demotivate your employees."

- **Flexibility:** PayScale reports that a recent survey found "millennials rank compensation, workplace balance, and workplace flexibility among the top three factors when evaluating a job offer. Flexibility is also important to working parents of any age."



R-E-S-P-E-C-T

- **Respect:** "Employees want their opinions to count," the company explains. "They don't want to be ignored or (worse) demeaned by an abusive manager or coworker. Employers who give more than lip service to the notion of workplace respect are way ahead of the curve and will experience greater worker loyalty as a result."

- **Interesting Work:** "In today's market, organizations that offer the ability to do meaningful work are finding an edge over their competition," says PayScale.

- **Autonomy:** "There's usually more than one way to achieve a goal, and employees value the freedom to choose the way that feels most comfortable for them," the company notes. "Managers who insist that 'it's my way or the highway' frustrate employees and cause them to begin considering other employment options."

Track Departures

If these measures don't work and employees do leave, it is important to track turnover and pay attention to any internal factors that may contribute to it—exit interviews are a good way to learn if company policies are contributing in any way to defections.

"Often turnover can feel very personal; as a result, we sometimes forget to measure how much actual turnover is happening in our organization," PayScale points out. "Tracking your turnover, in good times and bad, helps make sure your other talent strategies are moving the needle in the right direction."



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